TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1963

No. 109

WILBUR-ELLIS COMPANY, ET AL., PETITIONERS,

vs.

MAX K. KUTHER.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

PETITION FOR CERTIORARI FILED APRIL 17, 1963
CERTIORARI GRANTED MAY 20, 1963

No. 17756

United States
Court of Appeals
For the Ninth Circuit

ALFRED LEUSCHNER, an Individual, Doing Business Under the Name and Style of Al's Machine Shop; and WILBUR-ELLIS COMPANY, a Corporation,

Appellants,

vs.

MAX K. KUTHER, an Individual,

Appellee.

Transcript of Record

Appeal from the United States District Court for the Northern District of California, Southern Division.

Phillips & Van Orden Co., 4th & Berry, S. F.—Rec. 3/28/62—Printed 4/23/62

INDEX

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

	PAGE
Answer Cause No. 38418	7
Answer Cause No. 38859	13
Appearances	1
Certificate of Clerk	52
Complaint Cause No. 38418	3
Complaint Cause No. 38859	9
Exhibit, Defendant's:	
D—Affidavit of Alfred Leuschner	50
Exhibits, Plaintiff's:	
No. 1—Patent in Suit	39
10—Deposition of Alfred Leuschner	45
Findings of Fact and Conclusions of Law	26
Judgment	36
Memorandum of Opinion	15
Notice of Appeal	38
Statement of Points and Designation of Record, Appellants'	56

	Original	Print
Proceedings in the United States Court of Appeals for the Ninth Circuit	58	58
Minute entry of argument and submission	58	58
Minute entry of order directing filing of opinion and dissenting opinion and filing and recording of judgment	59	58
Opinion, Pence, J.	60	59
Dissenting opinion, Merrill, J.	64	64
Judgment	66	65
Clerk's certificate (omitted in printing)	67	65
Order allowing certiorari	68	66

APPEARANCES

NAYLOR & NEAL,
401 Russ Building,
San Francisco 4, Calif.,
Attorneys for the Appellants.

MELLIN, HANSCOM & HURSH,
391 Sutter Street,
San Francisco 8, Calif.,
Attorneys for the Appellees.

In the United States District Court, Northern District of California, Southern Division

Civil Action File No. 38418

MAX K. KUTHER, an Individual,

Plaintiff,

vs.

ALFRED LEUSCHNER, an Individual, Doing Business Under the Name and Style of Al's Machine Shop,

Defendant.

COMPLAINT FOR INFRINGEMENT OF UNITED STATES LETTERS PATENT No. 2,452,666

Comes Now Max K. Kuther, plaintiff above named, and for cause of action against the defendant above named, Alfred Lueschner, alleges:

I.

That plaintiff, Max K. Kuther, is a citizen and a resident of Monterey, County of Monterey, State of California, and has a place of business at Monterey, State of California.

II.

That defendant, Alfred Leuschner, is a citizen and resident of the State of California, and has a regular and established place of business at San

Jose, in the County of Santa Clara, State of California, within the jurisdiction of this Court, and is there doing business under the name and style of Al's Machine Shop.

III.

This Court has jurisdiction of this action because the same arises under the patent laws of the United States, being an action for infringement of Letters Patent of the United States.

IV.

That Letters Patent of the United States of America No. 2,452,666 were duly and regularly issued on November 2, 1948, all in accordance with law, and plaintiff, Max K. Kuther, is the owner of all of the entire right, title and interest in, to and under said Letters Patent No. 2,452,666, together with the sole and exclusive right to recover for infringement thereof since March 12, 1956.

V.

That defendant, Alfred Leuschner, has, within six years last past and prior to the filing of this complaint, and within the Northern District of California, Southern Division, infringed said Letters Patent No. 2,452,666, in that defendant, Alfred Leuschner, within six years prior to the filing of this action procured a number of machines from an unlicensed holder of such machines, which machines were manufactured in accordance with the

disclosure of said Letters Patent and within the scope of the claims thereof, and proceeded without license or authority to entirely rebuild said machines to adapt said machines to fill five-ounce cans, whereas said machines had been built to fill one-pound tall cans, that such rebuilding constitutes an act of infringement of the aforesaid Letters Patent.

VI.

That plaintiff, Max K. Kuther, is informed and believes and on information and belief alleges that defendant, Alfred Leuschner, has committed the aforesaid acts of infringement in knowing, wanton and deliberate disregard of the rights of plaintiff in the premises.

VII.

That plaintiff, Max K. Kuther, has been damaged by the infringing acts of defendant, Alfred Leuschner, in the amount of Eight Thousand Dollars ($8,000.00).

VIII.

That defendant, Alfred Leuschner, has had direct notice of said Letters Patent.

IX.

That plaintiff, Max K. Kuther, is informed and believes and on information and belief alleges that unless restrained by this Court, the defendant, Alfred Leuschner, will continue such infringing acts, all to the irreparable damage and injury of plaintiff.

Wherefore Plaintiff prays:

1. That an injunction, both pendente lite and permanent, issue out of and under the seal of this Court directed to the defendant, his attorneys, employees, and all those in privity with them, or any of them, enjoining them from in any manner committing any acts of infringement of Letters Patent No. 2,452,666.

2. That plaintiff have an accounting for his damages.

3. That the damages, when ascertained, be trebled in view of the wanton and deliberate character of the infringement.

4. That plaintiff have judgment against the defendant for reasonable attorneys' fees incurred by plaintiff in this action.

5. That plaintiff have judgment against the defendant for his costs and disbursements herein, and for such other and different relief as this Court may deem meet and proper in the premises.

MAX K. KUTHER,

By /s/ OSCAR A. MELLIN,
His Attorney.

[Endorsed]: Filed July 30, 1959.

[Title of District Court and Cause.]

No. 38418

ANSWER

Defendant answers the complaint herein as follows, the herein numbered paragraphs having reference to the correspondingly numbered paragraphs of said complaint:

1. Admitted.

2. Admitted.

3. Admitted.

4. Defendant admits that Letters Patent No. 2,452,666 were issued on November 2, 1948, and that the plaintiff is named as an inventor therein. For lack of information sufficient to form a belief defendant denies the balance of the allegations of paragraph IV.

5. Defendant admits that he has reconditioned four machines and has modified said machines to adapt them for filling five-ounce cans rather than one-pound tall cans, but denies the remaining allegations of paragraph V.

6. Denied.

7. Denied.

8. Admitted.

9. Denied.

Affirmative Defenses

10. Defendant alleges that Letters Patent No. 2,452,666 are invalid in that one or more of the conditions for patentability set forth in 35 U.S.C. 102, 103 has not or have not been complied with.

11. Defendant alleges that plaintiff has misused Letters Patent No. 2,452,666 in that he is attempting to expand whatever rights provided thereby to embrace machines which have long since passed out of whatever scope of monopoly afforded by said patent, and that plaintiff is therefore before this Court with unclean hands.

Wherefore Defendant Prays:

1. For a judgment of invalidity and/or non-infringement of Letters Patent No. 2,452,666.

2. For an award of attorney's fees.

3. For dismissal of the complaint.

NAYLOR & NEAL,
JAS. M. NAYLOR,
FRANK A. NEAL,

By /s/ FRANK A. NEAL,
Attorneys for Defendant.

[Endorsed]: Filed September 24, 1959.

In the United States District Court, Northern District of California, Southern Division

Civil Action File No. 38859

MAX K. KUTHER, an Individual,

Plaintiff,

vs.

WILBUR-ELLIS COMPANY, a Corporation,

Defendant.

COMPLAINT FOR INFRINGEMENT OF UNITED STATES LETTERS PATENT No. 2,452,666

Comes Now Max K. Kuther, plaintiff above named, and for cause of action against the defendant above named, Wilbur-Ellis Company, alleges:

I.

That plaintiff, Max K. Kuther, is a citizen and a resident of Monterey, County of Monterey, State of California, and has a place of business at Monterey, State of California.

II.

That defendant, Wilbur-Ellis Company, is a corporation of the State of California, and has a regular and established place of business in the City and County of San Francisco, State of California, within the jurisdiction of this Court.

III.

This Court has jurisdiction of this action because the same arises under the patent laws of the United States, being an action for infringement of Letters Patent of the United States.

IV.

That Letters Patent of the United States of America No. 2,452,666 were duly and regularly issued on November 2, 1948, all in accordance with law, and plaintiff, Max K. Kuther, is the owner of all of the entire right, title and interest in, to and under said Letters Patent No. 2,452,666, together with the sole and exclusive right to recover for infringement thereof since March 12, 1956.

V.

That defendant, Wilbur-Ellis Company, has, within six years last past and prior to the filing of this complaint, and within the Northern District of Calfornia, Southern Division, infringed said Letters Patent No. 2,452,666, in that defendant, Wilbur-Ellis Company, within six years prior to the filing of this action procured a number of machines from an unlicensed holder of such machines, which machines were manufactured in accordance with the disclosure of said Letters Patent and within the scope of the claims thereof, and proceeded without license or authority to cause said machines to be entirely rebuilt and to adapt said machines to fill five-ounce cans, whereas said machines had been

built to fill one-pound tall cans; that such rebuilding is of a nature that it constitutes an act of infringement of the aforesaid Letters Patent; and thereafter defendant sold said machines without license or leave of plaintiff.

VI.

That plaintiff, Max K. Kuther, is informed and believes and on information and belief alleges that defendant, Wilbur-Ellis Company, has committed the aforesaid acts of infringement in knowing, wanton and deliberate disregard of the rights of plaintiff in the premises.

VII.

That plaintiff, Max K. Kuther, has been damaged by the infringing acts of defendant, Wilbur-Ellis Company, in the amount of Eight Thousand Dollars ($8,000.00).

VIII.

That defendant, Wilbur-Ellis Company, has had direct notice of said Letters Patent.

IX.

That plaintiff, Max K. Kuther, is informed and believes and on information and belief alleges that unless restrained by this Court, the defendant, Wilbur-Ellis Company, will continue such infringing acts, all to the irreparable damage and injury of plaintiff.

Wherefore Plaintiff Prays:

1. That an injunction, both pendente lite and permanent, issue out of and under the seal of this Court directed to the defendant, his attorneys, employees, and all those in privity with them, or any of them, enjoining them from in any manner committing any acts of infringement of Letters Patent No. 2,452,666.

2. That plaintiff have an accounting for his damages.

3. That the damages, when ascertained, be trebled in view of the wanton and deliberate character of the infringement.

3. That the damages, when ascertained, be fendant for reasonable attorneys' fees incurred by plaintiff in this action.

5. That plaintiff have judgment against the defendant for his costs and disbursements herein, and for such other and different relief as this Court may deem meet and proper in the premises.

MAX K. KUTHER,

By /s/ OSCAR A. MELLIN,
His Attorney.

[Endorsed]: Filed January 27, 1960.

[Title of District Court and Cause.]

No. 38859

ANSWER

Defendant answers the complaint herein as follows, the herein numbered paragraphs having reference to the correspondingly numbered paragraphs of said complaint:

1. Admitted.

2. Admitted.

3. Admitted.

4. Defendant admits that Letters Patent No. 2,452,666 were issued on November 2, 1948, and that the Plaintiff is named as an inventor therein. For lack of information sufficient to form a belief Defendant denies the balance of the allegations of paragraph IV.

5. Defendant admits that it has caused the reconditioning of four machines and has caused the modification of said machines to adapt them for filling five-ounce cans rather than one-pound tall cans, but denies the remaining allegations of paragraph V.

6. Denied.

7. Denied.

8. Admitted.

9. Denied.

Affirmative Defenses

10. Defendant alleges that Letters Patent No. 2,452,666 are invalid in that one or more of the conditions for patentability set forth in 35 U.S.C. 102, 103 has not or have not been complied with.

11. Defendant alleges that Plaintiff has misused Letters Patent No. 2,452,666 in that he is attempting to expand whatever rights provided thereby to embrace machines which have long since passed out of whatever scope of monopoly afforded by said patent, and that Plaintiff is therefore before this Court with unclean hands.

Wherefore Defendant Prays:

1. For a judgment of invalidity and/or non-infringement of Letters Patent No. 2,452,666.

2. For an award of attorney's fees.

3. For dismissal of the complaint.

NAYLOR & NEAL,
JAS. M. NAYLOR,
FRANK A. NEAL,
By /s/ FRANK A. NEAL,
Attorneys for Defendant.

Certificate of service attached.

[Endorsed]: Filed February 17, 1960.

[Title of District Court and Cause.]

Nos. 38418 & 38859

MEMORANDUM OF OPINION

The above two cases, consolidated for the purpose of trial, involve similar subject matter and issues, namely, whether the defendants have infringed a valid patent of plaintiff in a fish canning machine. (Letters Patent, No. 2,452,666 issued November 2, 1948.)

It is alleged that the defendants procured a number of the patented machines from an unlicensed holder and proceeded without authority, to cause them to be entirely rebuilt and to adapt them to fill five-ounce cans, whereas they were built to fill one-pound cans only.

The defendants admit that they have caused the reconditioning of four of the machines to so adapt them but deny that they have in so doing infringed the patent.

The specific changes made by the defendants in converting the machines are admitted and enumerated in the deposition of defendant Leuschner who made the conversion for defendant Wilbur Ellis. Six essential parts of the patented combination were changed to accommodate the machines for the smaller size cans.

Conversion of the Machines

Thus, the question is presented whether it is infringement for the possessor of a patented combination, designed to pack one-pound cans only, to so change essential parts that the machine will pack five-ounce cans only.

In George Close v. Ideal Wrapping Machine Co., 29 F. 2d 533 (1st Cir. 1928), the Court, affirming the District Court, 23 F. 2d 848 (D. Mass. 1928), held that it was infringement for a defendant to convert patented caramel wrapping machines, designed to wrap caramels of a specific size, to wrap larger caramels, pointing out that such a reconstruction involving extensive change of essential parts, destroys the identity of the machine and results in a new, different machine, namely, a machine capable of wrapping an entirely different candy size.

In Miller Hatcheries, Inc., v. Buckeye Incubator Co., 41 F. 2d 619 (8th Cir. 1930), the Court held that it was infringement for a defendant to convert a patented egg incubator, designed to accommodate nine trays, to accommodate twelve trays, saying that such a reconstruction, involving extensive changes in essential parts, destroys the identity of the machine and results in a different machine of greatly increased capacity but embodying all the elements of the original patent.

In The Tabulating Machine Co. v. Durand, Sup. Ct. D. C. 1910; 156 Official Gazette, the Court held that

it was not infringement to change a patented automatic card sorting machine by one inch widening of the machine to enable it to handle larger cards, the Court saying that the change did not destroy the identity of the machine and that invention does not reside in the size of the machine alone but in its principle of novelty.

This Tabulating Machine case was noticed by the Court in the Ideal Wrapping Machine case (District Court decision, supra), but distinguished upon the ground that no showing had been made in the Tabulating case that the identity of the machine had been destroyed and, that the case was, therefore, one of repair and not of reconstruction.

Defendants in the pending cases concede that the Ideal Wrapping Machine and Miller Hatcheries cases, supra, favor plaintiffs' contention but contend that the recent case of Aro Manufacturing Co. v. Convertible Top Replacement Company, 365 U. S. 336, decided February 27, 1961, in effect overrules those cases by "delimiting impermissible reconstruction to those situations where there is a 'second creation' of the patented entity" and by holding that there can be no infringement where the replacement involves only some of the essential, but unpatented parts and, results in something less than a remaking of the patented entity.

In Aro, which involved the replacing of the worn out canvas top of a convertible automobile so that the patented combination of top and hardware was restored to its original condition, the Court held

that the replacement of the worn out essential part was permissible restoration of the article to the original use for which it was purchased. The Court did not say or hold that change of essential parts to give a different size or different use would be permissible reconstruction, nor was any such question presented.

Defendants argue, however, that if, as held in Aro, it is permissible to replace individually unpatented elements of an overall patented combination with identical elements, it should also be permissible to change the size, kind or location of the parts to vary the capacity or purpose.

Such reconstruction, defendants argue, pertains only to size and use and does not result in remaking of the patented entity.

W do not agree with this interpretation of the rule declared in Aro. When the change of essential parts is designed to change and in fact does change the capacity or effectiveness of the patented entity, the result is not only a new, but a different article, embodying the unique patented combination, but not made by the patentee to whom, alone, is reserved the right to make articles embodying the patented combination, in such amounts, in such sizes and for such purposes as he decides—or not to manufacture any articles at all, if he so chooses. (See: George Close v. Ideal, supra, at 537.)

When the patentee decides to manufacture and sell the patented combination so built as to handle

material of a given size, he impliedly chooses to refrain, as is his right, from manufacturing them to handle other sizes or for other purposes.

If the possessor is permitted, without liability for infringement, to so change essential unpatented parts of the combination as to enable it to handle material of different sizes, it follows that he could sell the article as changed and introduce into the public domain new, different machines, embodying the patented combination, despite the patentee's election not to build the combination for such sizes or purposes.

Such a reconstruction is clearly different from repair or replacement by the possessor of worn out parts to preserve the article in the condition in which it was manufactured and sold by the patentee.

In Leeds v. Catlin, 213 U. S. 325 (1908), a case noted approvingly in the Aro decision, Mr. Justice McKenna, speaking for the Court of the right to supply and use a phonograph record, part of a patented talking machine combination, pointed out that the intentional supplying of phonograph records, not to replace records deteriorated by use, or which had suffered breakage, constituted contributory infringement, insofar as the supplying of records indicated an intention merely to increase the repertory of tunes available to the purchaser of the patented combination.

There the Court concluded that the license granted to a purchaser of a patented combination does not extend beyond preserving its fitness for use "so far as it may be affected by wear or breakage." (at 336.)

Some opinions have gone further to indicate that a purchaser of a patented machine may go beyond repairs and improve the machine as he pleases. Chaffee vs. Boston Belting Co., 22 How. 217, 223 (1859); Aiken vs. Manchester Print Works, 1 Fed. Cas. No. 113 (C.C.N.H. 1865); Thompson-Houston Electric Co. vs. Kelsey Electric Ry., 75 F. 1005 (2d Cir. 1896).

Such references have not indicated, however, that by the term "improve" is meant a change to another purpose; rather a change merely to better perform the purpose originally intended by the patentee. Cf. Ideal Wrapping Machine Co., supra, 851. (District Court opinion.)

Indeed, the Court in Aiken, supra, Mr. Justice Clifford, stated: "The indubitable right of the defendants is to repair or improve the articles as long as they will last, but they cannot make new ones, nor can they in the exercise of their right to repair the old ones, infringe another man's patent." (at 247.)

Similarly, the Court in Thompson-Houston Electric Co., supra, modifying an order to allow a supplier of trolley stands to sell its products to electric railways for substitution of trolley stands (consid-

ered by the Court a non-vital element of a patented combination purchased from plaintiffs) to improve their stands through adaptation according to their needs, stated that its permission did not give defendant supplier authority to reconstruct or rebuild a combination which had been sold by the patentee.

Where Courts have gone further to allow a rebuilding of a machine under the notion that such change constituted a legitimate improvement, their error has been corrected upon appeal. See, National Cash Register Co. vs. Grobet (S.D.N.Y. 1906), reversed 153 F. 905 (2d Cir. 1907).

In this regard, we may also note that in the Miller Hatcheries case, supra, the Court said, at 621, that in addition to the right of repair, the purchaser of a patented device has the right, within certain limits, to change the device so as to make it adapted to his particular use, citing Thompson-Houston Electric Co., supra; Aiken, supra; and Wilson vs. Simpson, 9 How. 109, 125 (1850). The first two cases have already been discussed, and the last has no pertinence here.

We do not regard the reference in the Miller Hatcheries case to these cases as an expression of the view that the possessor of a patented combination may alter it to produce different results to his liking without being liable for infringement. Nor did the Court so regard these cases. As already noted, the Court held that the conversion of egg incubators so as to accommodate twelve trays instead of nine was an infringement.

Repair of the Machines

Although the issue is not tendered by the complaint, evidence was introduced without objection by defendant concerning, and both parties have argued, the further point that defendants infringed plaintiff's patent by reconstructing three machines, involving the patented entity, after the machines viewed as a whole, had become "spent" within the meaning of Aro.

The evidence on this issue is to the effect that these three machines had been owned by Hovden Food Products Corporation which shut down its Moss Landing plant in 1952. The machines were left in the plant building until 1958 when the plant, including the machines, was sold to a syndicate, lock, stock and barrel, without placing a price on the three machines which were apparently regarded as "junk." Defendant, Wilbur Ellis, subsequently purchased these three machines for $1250 each.

The machines had been unused, untended, exposed to rain and salt air, corroded and frozen solid to the extent that they were inoperable when acquired by Wilbur Ellis.

Wilbur Ellis arranged with defendant, Leuschner, to recondition the machines, and also to reconvert them for five ounce cans, at a cost of $1600 each, $1350 for the reconditioning and $250 for the structural conversion.

The reconditioning was accomplished by cleaning and sandblasting the corrosion to make the machine

operable. Certain can supports (27 on the drawings), although normally as long lived as the machines, had rusted away and were replaced. Certain plungers (28 on the drawings), originally designed of a diameter for one pound cans, were so corroded that they could be rendered operable only by grinding them down and thereby so reducing the diameter that the plungers would be no longer operable for one pound cans and would be operable at all only for smaller five ounce cans. Similarly, certain pockets (15 on the drawing) and compressors (19 on the drawing) could be salvaged only by inserts to change their original size.

In Aro, supra, the Court cited with approval, its previous decision in Wilson vs. Simpson, supra, to the effect that although there is no right to "rebuild" a patented combination, the entity exists notwithstanding the fact that destruction or impairment of one of its elements renders it inoperable; that, accordingly, replacement of that worn out essential part is permissible restoration of the machine to the original use for which it was bought; that such replacement of the worn out, damaged or destroyed part is but an exercise of the right "to give duration to that which he owns, or has a right to use as a whole." Ibid. The Court continued, that repair is not to be tested according to whether the replaced element is minor or major in relation to the whole, or according to its relative life span, or according to its essential relation to the whole; that a combination patent covers only the totality of the

elements in the claim and that no element, separately viewed, is within the grant; that maintenance of the "use of the whole" of the patented combination, through replacement of a spent, unpatented element does not constitute reconstruction; that reconstruction of a patented entity comprised of unpatented elements, is limited to such a true reconstruction of the entity as to in fact make a new article after the entity, viewed as a whole, has become spent—a second creation of the patented entity, as, for example, the discarded patented metal baling straps in Cotton Tie Co. vs. Simmons, 106 U. S. 89.

Applying these rules, the Court finds and concludes that the reconditioning of these three machines by cleaning, sandblasting and replacement, insofar as it restored them to their original condition after years of neglect and exposure did not result in the making of a new article or a second creation of the patented entity.

However, as previously noted, defendants did not rest satisfied with restoration of the machine to its original condition. They proceeded to change its elements, not to restore the original, but to build another machine designed to fill cans of a different size than the cans for which the original was manufactured and sold.

In so doing defendants, for the reasons already stated, infringed the rights reserved to plaintiff under the patent.

Defendants further claim that plaintiff's patents are invalid, because of prior art, as disclosed in Sanders, No. 1,935,997 (Ex. F), and Paynter, No. 218,813 (Ex. G), all patents for machines to pack salmon.

The evidence, however, shows that such machines would be useless for packing small fish, sardines, and that plaintiff's machines would be useless for large fish—salmon; that the machines are different in operation and purpose; that plaintiff's machines were extensively introduced into the sardine packing industry, and that they replaced hand packing with substantial economic savings; that defendant Wilbur-Ellis was, itself, a comparatively large buyer of the machines at prices of $8000-$10,000 each, prices which included profit to the patent licensees.

It is true that evidence of commercial success is not conclusive upon the issue of patentability, See Pointer vs. Six Wheel Corp., 177 F. 2d 153, 156 (9th Cir. 1949), but the evidence in the pending cases establishes that the differences between the subject matter of plaintiff's patent, on the one hand, and the prior art as disclosed in earlier patents, on the other, would be such as to render the plaintiff's patent valid.

For the reasons herein set forth, we are of the opinion that judgment should be entered in favor of the plaintiff and against the defendant in these actions. As prevailing party, plaintiff will prepare

findings of fact and conclusions of law in accordance with this memorandum opinion and in conformity with the Rules of this Court.

Dated: July 6, 1961.

/s/ W. T. SWEIGERT,
United States District Judge.

[Endorsed]: Filed July 6, 1961.

[Title of District Court and Cause.]

Nos. 38418 & 38859

FINDINGS OF FACT

1. Plaintiff, Max K. Kuther, is a citizen and resident of Monterey, County of Monterey, State of California.

2. Defendant, Alfred Leuschner, is a citizen and resident of the State of California and has a regular and established place of business at San Jose, County of Santa Clara, State of California, and is there doing business under the name and style of Al's Machine Shop.

3. Defendant, Wilbur-Ellis Company, is a corporation of the State of California, and has a regular and established place of business in the City and County of San Francisco, State of California.

4. Letters Patent of the United States No. 2,452,666 were duly and regularly issued on No-

vember 2, 1948, all in accordance with law, and plaintiff is, and has continuously been, the owner of all of the entire right, title and interest in, to and under said patent, together with the sole and exclusive right to recover for infringement thereof since March 12, 1956.

5. The patent in suit is directed to a combination of elements forming a machine for packing automatically small fish, such as sardines, into cans.

6. Machines manufactured in accordance with the disclosure of the patent were extensively introduced into the sardine packing industry and they replaced hand packing with substantial economic savings to the users of the machines.

7. Defendant, Wilbur-Ellis Company, was a comparatively large buyer of the above machines from the patent licensees at prices of Eight Thousand Dollars ($8,000.00) to Ten Thousand Dollars ($10,000.00) each, which prices included a profit to the patent licensees.

8. The prior art fish packing machines exemplified by the Sanders Patent No. 1,935,997 and Paynter Patent No. 2,189,831, were and are substantially different in construction, mode of operation and result from the machine disclosed by the patent in suit.

9. The prior art machines were designed to pack large fish, such as salmon, into cans and because of their construction and mode of operation, these

prior art machines would be useless and inoperative for canning whole small fish, such as sardines. In the prior art machines, the fish to be packed is dumped into a hopper, either in the form of cutting chunks of large fish or in random orientation if the fish are relatively small. The fish is then pushed from the hopper through a tunnel or conduit into a metering chamber. A knife severs the fish at the entry to the chamber to form a charge which is next compressed in the metering chamber and expelled into a can.

10. The machines of the patent in suit are designed to pack small fish, such as sardines, and because of their construction and mode of operation, these machines would be useless and inoperative for packing large fish, such as salmon. In the machines of the patent in suit whole small fish are delivered to open-top, U-shaped fish receivers in such orientation that the fish are headed half in one direction and half in the other direction so that the fish will be interlaced when packed in the can. A compressor member moves down into the U-shaped fish receiver and compresses the fish in the receiver so that all of the interlaced fish form a cylinder having a diameter slightly less than the can into which they are to be packed. Plungers then force the cylinder of fish from the receivers into the cans.

11. The above differences between the subject matter of the patent in suit and the prior art machines are substantial and are such that the subject

matter of the patent in suit would not have been obvious to a person having ordinary skill in the fish packing art at the time that the invention of the patent in suit was made.

12. The four machines involved in this suit were originally built with authority of the patentees and their licensees and were designed and operative to pack fish into one-pound size cans only.

13. Three of the four machines in suit had been owned by Hovden Food Products Corporation, which shut down its Moss Landing Plant in 1952. The machines were left in the plant building until 1958 when the plant was sold to a syndicate, lock, stock and barrel, without placing a value on the three machines which were apparently regarded as "junk." Defendant, Wilbur-Ellis Company, subsequently purchased these three machines in such condition. The machines had been unused, untended, exposed to rain and salt air, corroded and frozen solid to the extent that they were inoperable when acquired by Wilbur-Ellis Company.

14. Defendant, Alfred Leuschner, pursuant to the order of Wilbur-Ellis Company, cleaned and sandblasted the corrosion from the machines to make them operable. Certain can supports, although normally as long-lived as the machine, had rusted away and were replaced. Certain plungers, originally designed to a diameter for one-pound cans, were so corroded that they could be rendered operable only by grinding them down and thereby so re-

ducing the diameter that the plungers would no longer be operable for their original purpose, but would be useable for the smaller five-ounce size cans. Similarly, certain pockets and compressors could be salvaged only by inserts to change their original size.

15. Defendant, Wilbur-Ellis Company, bought the three machines for Twelve Hundred Fifty Dollars ($1,250.00) each and paid defendant, Alfred Leuschner, Sixteen Hundred Dollars ($1,600.00) for reconditioning and converting each machine, of which Thirteen Hundred Fifty Dollars ($1,350.00) was for reconditioning and Two Hundred Fifty Dollars ($250.00) was for converting each machine.

16. The mere reconditioning (not including the conversion to different can sizes) of these three machines by cleaning, sandblasting and replacement, insofar as it restored them to their original condition after years of neglect and exposure, did not result in the making of a new article or a second creation of the patented entity.

17. Defendant, Wilbur-Ellis Company, purchased the four machines in suit and authorized and directed defendant, Alfred Leuschner, to reconstruct and convert the four machines to pack fish in five-ounce size cans only, instead of one-pound size cans.

18. Defendant, Alfred Leuschner, redesigned and changed six essential parts of the patented ma-

chine in order to convert all four machines for filling the smaller size cans.

19. The conversion of the four machines changed the capacity and effectiveness of the machines by converting the machines to fill five-ounce size cans only, instead of one-pound size cans only.

20. The conversion of the machines resulted in the creation of not only new but different machines from those originally made by permission of the patentee, which new and different machines embody the novel combination claimed by the patent in suit.

21. The conversion of the four machines by defendants to fill different size cans is clearly different from the repair or replacement by the possessor of worn out parts to preserve the machines in the condition in which they were originally manufactured and sold by permission of the patentee.

22. The four accused machines are, in construction and mode of operation, substantially identical to the construction and mode of operation illustrated, described and claimed in the patent in suit No. 2,452,666, and in fact the drawings of the patent in suit were made from a machine which was the prototype of the accused machines.

23. There is no conflict in the evidence and defendants did not contest the fact that the four accused machines come squarely within the claims of the patent in suit, and indeed it is a fact that the

four machines as converted by defendants come squarely within the claims of the patent in suit.

24. Based on the evidence presented at the trial, a reasonable royalty for the use made of the invention by defendants is Fifteen Hundred Dollars ($1500.00) per machine. For the four machines involved in this suit such royalty is Six Thousand Dollars ($6,000.00).

Conclusions of Law

I.

This Court has jurisdiction of the subject and of the plaintiff and defendants.

II.

The plaintiff is and has continuously been the owner of all the right, title and interest in and to Letters Patent No. 2,452,666 in suit, including the right of action for past infringement thereof since March 12, 1956.

III.

Said patent is valid and has been infringed by defendants.

IV.

When the change of essential parts of a patented machine is designed to change and in fact does change the capacity or effectiveness of the patented machine such that the result is not only a new but different machine embodying the patented combination, rather than being merely permissible repair or replacement of worn parts, and when such

changes are made by other than the patentee without permission of the patentee, such acts constitute infringement of the patent on the patented machine.

V.

The decision and right to make a patented machine so as to handle material of a given size is the sole province of the patentee or his licensees, and when the patentee or his licensees decide to manufacture and sell a patented machine capable of handling only material of a given size, the patentee or his licensees impliedly have chosen to refrain, as is their right, from manufacturing machines for handling material of other sizes or for other purposes, and an unauthorized changing of a machine so built by the patentee or his licensees by a change of essential parts to convert such machine to handle material of a different size than the machine built by the patentee or his licensees is an act of infringement of the patent on such patented machines.

VI.

The acts of conversion or reconstruction of the machines in suit, which changed the essential parts in the patented machine so as to cause the changing of the capacity and effectiveness of the patented machine, is not at law the same as preserving the machine in the condition in which it was manufactured and sold by authority of the patentee. Instead, such acts created new and different machines embodying the patented invention, and such acts of conversion and reconstruction by defendants consti-

tuted an infringement of the patentee's rights under the patent in suit.

VII.

The acts of defendants in changing the elements of the patented machines in suit were not permissible restoration of the original machines, but were the unauthorized building of new machines of a different capacity and specific function than that for which the original machines had been manufactured and sold, and constitute infringement of the rights reserved to plaintiff, the patent owner under the patent in suit.

VIII.

Disregarding the changes in the machine to accommodate the packing of different size cans, the mere repair of the machines in suit so as to place the machines in operating condition was a permissible restoration of the patented combination.

IX.

The infringement of a patent entitles the injured party to general damages, measured ordinarily by the fair value of what was taken, i.e., the privilege of making, using or selling the patented article.

Faulkner vs. Gibbs,
199 F. 2d 635 (C.A.9, 1952);

Dowagiac Mfg. Co. vs. Minnesota Moline Plow Co., 235 U.S. 641, 648; 35 S.Ct. 221.

X.

Upon finding for the claimant, the Court shall award the claimant damages adequate to compen-

sate for the infringement but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the Court.

35 U.S.C. 284.

XI.

Plaintiff has been damaged in the amount of Six Thousand Dollars ($6,000.00).

XII.

Plaintiff is entitled to a judgment as against defendants, jointly and severally, adjudging said patent to be valid and infringed by defendants and awarding damages to the extent of Six Thousand Dollars ($6,000.00) to plaintiff.

XIII.

Said judgment shall also award taxable costs to plaintiff.

Dated: This 6th day of October, 1961.

/s/ W. T. SWEIGERT,
United States District Judge.

Approved as to form:

By /s/ FRANK A. NEAL,
One of the Attorneys
for the Defendants.

Date: October 5, 1961.

Receipt of copy acknowledged.

[Endorsed]: Filed October 6, 1961.

In the United States District Court, Northern District of California, Southern Division

Civil Actio[n] No. 38418

MAX K. KUTHER, an Individual,

Plaintiff,

vs.

ALFRED LEUSCHNER, an Individual, Doing Business Under the Name and Style of Al's Machine Shop,

Defendant.

Civil Action No. 38859

MAX K. KUTHER, an Individual,

Plaintiff,

vs.

WILBUR-ELLIS COMPANY, a Corporation,

Defendant.

JUDGMENT

This cause, having come on for trial before this Court, witnesses for both sides having been heard, documentary and physical exhibits having been received in evidence, briefs having been filed, and the Court having made its Findings of Fact and Conclusions of Law:

It Is Hereby Adjudged and Decreed as Follows:

I.

That this Court has jurisdiction of the subject matter and of the plaintiff, Max K. Kuther, and of the defendants, Alfred Leuschner and Wilbur-Ellis Company.

II.

That the plaintiff is the owner of all the right, title and interest in and to Letters Patent No. 2,452,666, together with the right of action for past infringement since March 12, 1956.

III.

That said Letters Patent is valid.

IV.

That said Letters Patent has been infringed by both defendants, Alfred Leuschner and Wilbur-Ellis Company.

V.

That damages in the amount of Six Thousand Dollars ($6,000.00) are awarded to plaintiff as against the defendants jointly and severally, and that plaintiff have execution therefor.

VI.

That plaintiff recover his taxable costs from the defendants, to be taxed by the Clerk in the amount of Two Hundred Fifty-Eight and 30/100 Dollars ($258.30), and that plaintiff have execution therefor.

Dated: This 6th day of October, 1961.

/s/ W. T. SWEIGERT,
United States District Judge.

Approved as to form:

NAYLOR & NEAL,
JAS. M. NAYLOR, ESQ.,
FRANK A. NEAL, ESQ.,

By /s/ FRANK A. NEAL,
Attorneys for Defendants.

Date: October 5, 1961.

Receipt of copy acknowledged.
[Endorsed]: Filed October 6, 1961.

[Title of District Court and Cause.]

Nos. 38418 & 38859

NOTICE OF APPEAL

Notice is hereby given that Wilbur-Ellis Company and Alfred Leuschner, defendants above named hereby appeal to the United States Court of Appeals for the Ninth Circuit from the final judgment entered in these actions on October 9, 1961.

Dated: November 7th, 1961.

Respectfully submitted,

NAYLOR & NEAL,
JAS. M. NAYLOR,
FRANK A. NEAL,

By /s/ FRANK A. NEAL,
Attorneys for Defendants-Appellants.

[Endorsed]: Filed November 7, 1961.

PLAINTIFF EXHIBIT NO. 1

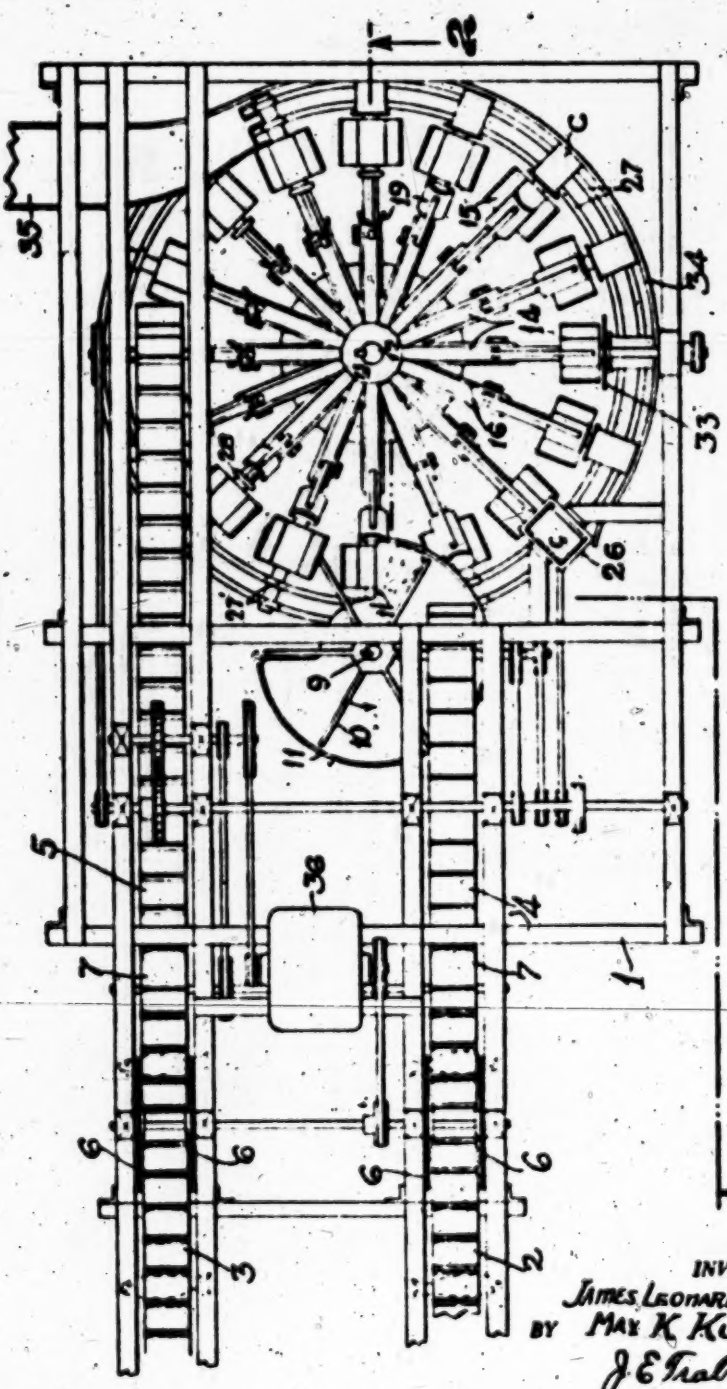
Filed April 4, 1958.

Nov. 2, 1948. M. K. KUTHER ET AL. 2,452,666

FISH CANNING MACHINE

Filed June 23, 1944 3 Sheets-Sheet 1

Fig. 1.



INVENTORS
James Leonard Smith &
BY Max K. Kuther
J. E. Trabucco
ATTORNEY.

and the discharge opening 11' of the receptacle 11. The movement of the conveyor 8 and the rotation of the table 13 are synchronized so that a predetermined number of fish are deposited into each fish receiver 15 as it passes under the discharge end of the supporting plate 8'. In the particular example herein illustrated, there are two fish deposited with their larger ends disposed outwardly into each fish receiver from the supporting plate 8'. When each fish receiver 15 having the two already deposited fish therein reaches the discharge opening 11' of the receptacle 11, there will be deposited therein from the said receptacle two additional fish, making in all four fish. The position of the fish discharged from the receptacle 11 into each receiver will be such that their larger or head ends are pointed inwardly in the opposite direction to the two fish previously entering the receiver from the plate 8'. The counter-clockwise movement of the wheel 10 is so timed with respect to the similar movement of the table 13 and the arms 14 that two fish from the receptacle 11 are discharged into each receiver 15 when it reaches a position directly below the point of discharge. The inclined side wings of each of the receivers 15 provide suitable means for directing the received fish into the central part of the receiver where they are subsequently compressed. Associated with each fish receiver 15 is means for compressing the fish into a compact package prior to their being transferred into a can. The various fish compressing means being the same, a description of one will suffice for all. Secured to and extending upwardly from the opposite side edges of each arm 14 are spaced supports 16. Secured to a pivotal shaft 17 mounted on the supports 16 is a gear 18 and a fish compressing member 19, the latter having a semicircular end part which is of substantially the same shape as the central part of each fish receiver 15. The fish compressing member 19 is adapted to move downwardly to a position where it engages with the fish receiver 15. When the receiver and the compressing member are in engaging positions, they form a cylindrical device, open at its ends, within which the four fish may be compressed prior to their being transferred into a can. (See Figs. 3 and 4.) The fish compressing member 19 is moved upwardly and downwardly with timed reciprocating motion by means of a lever 20 having a gear 21 at one end which is in mesh with the gear 18 secured to the shaft 17. The lever is pivotally secured as at 22 to one of the supports 16 and its opposite end is provided with a roller 23 which engages externally with a suitably shaped cam 24 supported beneath the table 13. This cam 24 is of general semicircular shape and through the lever 20, the gears 21, 18 and the shaft 17, it serves to move the fish compressing member 19 downwardly to a position whereby it engages with the upper surface of the fish then located in the receiver 15. Complementary to the cam 24 is another cam 25 of general semicircular shape which is engaged internally by the roller 23 of the lever 20 after the said roller disengages with the cam 24. This latter cam serves to raise the fish compressing member 19 upwardly preparatory to its succeeding compressing operation. The movement of the fish compressing members 19 is such that they are in raised positions above the fish receivers 15 when the fish are being deposited therein. The movement of each of the compressing members 19 in a

[illegible] this being [illegible] the receiver 15 passes the discharge opening 11' in the receptacle 11. It will be noted in Fig. 1 that the fish compressing members 19 assume different positions depending upon where they happen to be with respect to the points where the fish is admitted to the receivers 15 and where it is subsequently compressed preparatory to being transferred into a can.

Arranged in a predetermined position with respect to the discharge opening 11' of the receptacle 11 is a can delivery chute 26 which has its open discharge end positioned directly above a duplex ring-shaped track 27 secured to and carried circularly by the arms 14 (see Fig. 6). The track 27 has a plurality of uniformly spaced grooves 27' each of which is adapted to receive a can C dropping onto the track from the delivery chute 26. The lower end of the can delivery chute 26 has an opening 26' at one side which allows a can C then lodged in a groove 27' to be carried by the circularly moving track 27 past the said chute (see Fig. 6). Directly after the movement of a can C beyond the can delivery chute, the transfer of the compressed fish into the can is accomplished. Each arm is equipped with the same transfer means. Slidably mounted on each arm for outward and inward reciprocating motion through a fish receiver 15 is a pusher or plunger 28 which has a connecting rod portion extending through a supporting guide 29 on the arm. The pusher 28 is rigidly connected to a depending rod 30 extending through a slot in the arm and having a roller 31 at its lower end which engages exteriorly with a suitably shaped cam 32 supported beneath the table 13 in a position inwardly from the cam 24. A complementary cam 32' is engaged internally by the roller 31 to return the pusher to its normal position. The cam 32 is of general semicircular shape and through the roller 31 and the rod 30 it serves to move the pusher 28 outwardly against the fish then held in a compressed position inside the receiver 15. Through the cam 32 the outward movement of the pusher 28 is timed so that the compressed fish then clamped in the receiver 15 by the compressing member 19 will be pushed into the can C through the latter's inwardly disposed open end. The action of the pusher 28 in an outward direction and then inwardly is quite fast and such movement is so synchronized with respect to the compressing member 19 that the latter is in its extreme downward compressing position when the pusher is moved outwardly. Thus the compressed fish is automatically transferred into the can without loss of any substantial portion thereof. As the cans C with the fish therein are carried further in a counter-clockwise direction, they successively come to a circular rotating knife 33 which is so positioned as to cut off any excess fish which might be protruding from the open end of the can.

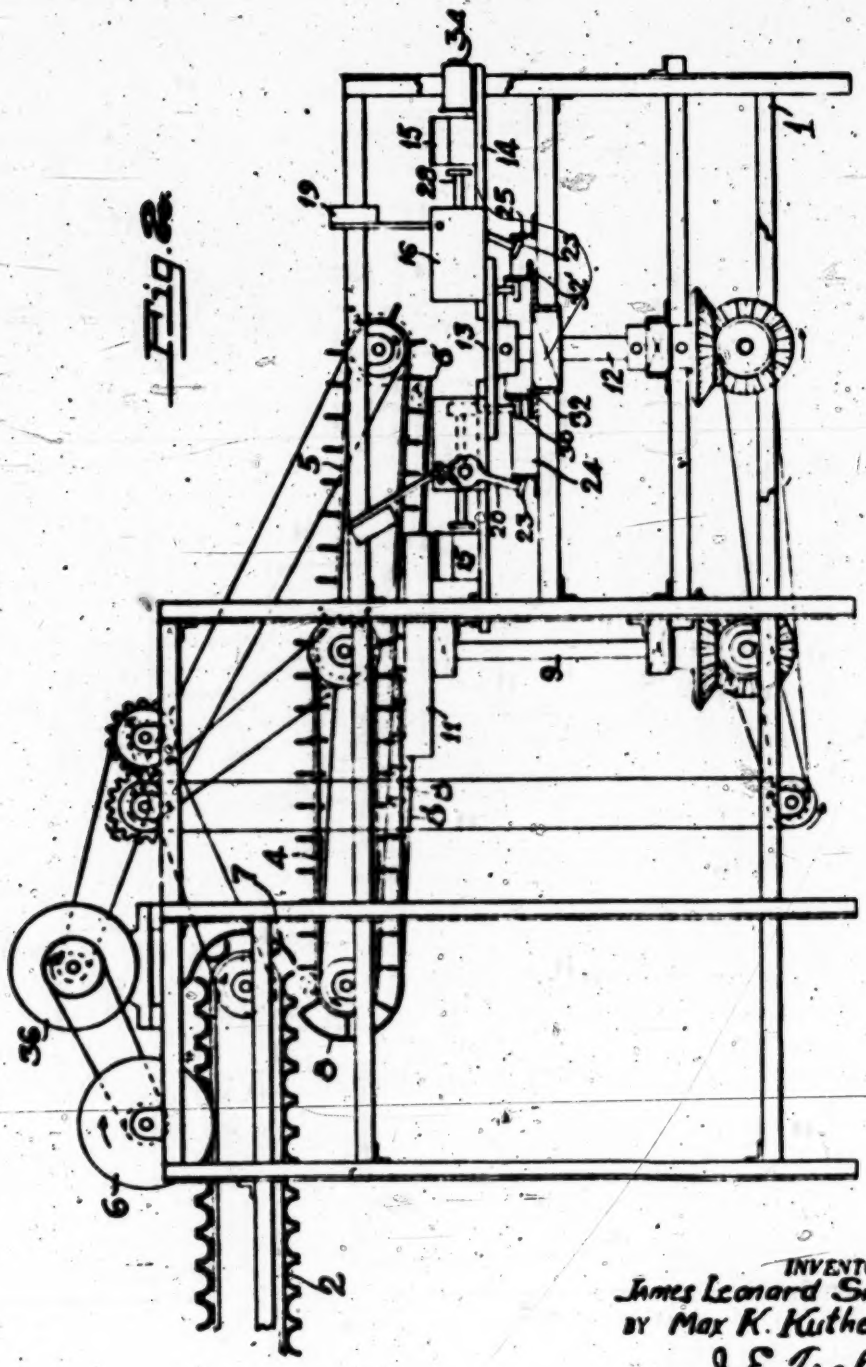
In order to brace the cans C and to maintain them against displacement when the pushers 28 are actuated to transfer the compressed fish thereto, a semicircular member 34 is arranged to engage with the closed ends of the cans at points where there will be an outward pressure from the pushers. The circular member 34 extends partially around the track 27 and merges into and provides one side of a can discharge chute 35. The continued circular movement of the filled cans C brings them to the discharge chute 35 into which they are suitably directed for transfer to a processing unit or cooker.

Nov. 2, 1948. M. K. KUTHER ET AL 2,452,666

FISH CANNING MACHINE

Filed June 23, 1944 3 Sheets-Sheet 2

Fig. 2.



INVENTORS
James Leonard Smith
BY Max K. Kuther
J. E. Trabucco
ATTORNEY.

Nov. 2, 1948. M. K. KUTHER ET AL 2,452,666

FISH CANNING MACHINE

Filed June 23, 1944 3 Sheets-Sheet 3

Fig. 3.

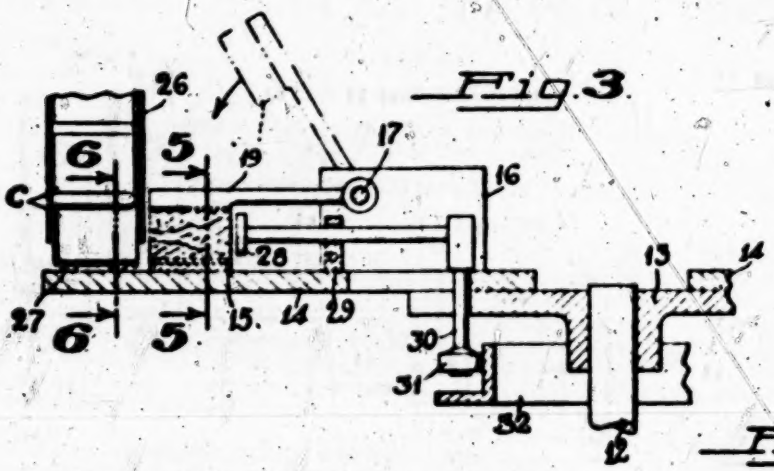


Fig. 4.

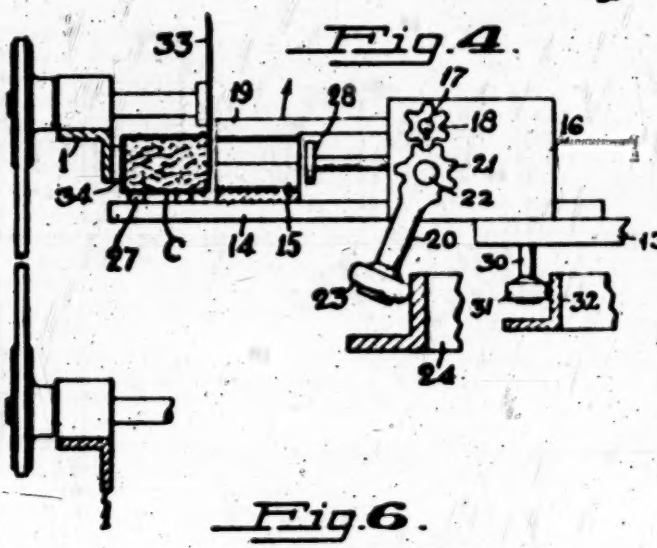


Fig. 5.

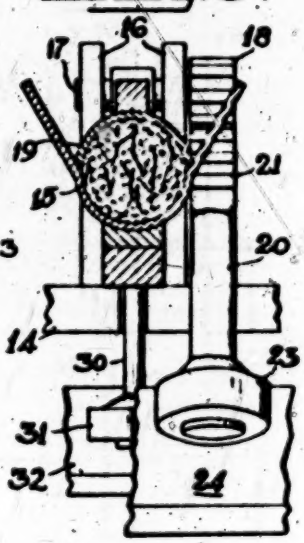
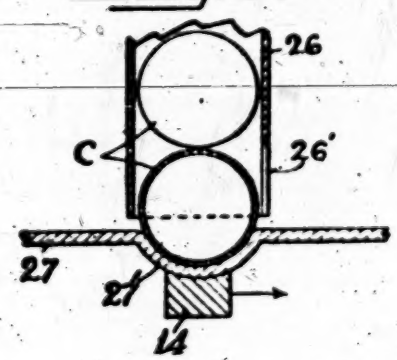


Fig. 6.



INVENTORS
James Leonard Smith
BY Max K. Kuther
J. E. Thalacco
ATTORNEY.

Patented Nov. 2, 1948 2,452,666

UNITED STATES PATENT OFFICE

2,452,666

FISH CANNING MACHINE

Max K. Kuther, Monterey, and James Leonard Smith, Pacific Grove, Calif.

Application June 23, 1944, Serial No. 541,822

5 Claims. (Cl. 226—103)

1

This invention relates to improvements in canning machines.

An object of our invention is to provide an improved canning machine embodying novel automatic means by which fish or other produce to be canned is deposited into suitable molds where it is shaped and compressed for subsequent ejection into cans.

Other objects and advantages will be pointed out hereinafter, indicated in the appended claims, or will be obvious to one skilled in the art upon an understanding of the present disclosure. For the purpose of this application we have elected to show herein certain forms and details of a fish canning machine representative of our invention; it is to be understood, however, that the embodiments of our invention herein shown and described are for the purpose of illustration only, and that therefore they are not to be regarded as exhaustive of the variations of the invention, nor are they to be given an interpretation such as might have the effect of limiting the claims short of the true and most comprehensive scope of the invention in the art.

In the accompanying drawings:

Fig. 1 is a plan view of a fish canning machine embodying the preferred principles of our invention;

Fig. 2 is a sectional view taken substantially on the line 2—2 of Fig. 1;

Fig. 3 is an enlarged sectional view taken longitudinally through one of the radial arms of the rotatable carrier table;

Fig. 4 is an enlarged sectional view showing the means employed for trimming fish protruding from the cans and also the means for transferring a number of compressed fish from a receiving device to a can;

Fig. 5 is a sectional view taken on the line 5—5 of Fig. 3; and

Fig. 6 is a sectional view taken on the line 6—6 of Fig. 3.

Referring to the drawings, the numeral 1 designates a suitable frame for supporting the various parts of the machine. At one end of the frame are mounted two fish conveyors 2 and 3 each of which comprises a series of concave fish holding members [illegible]

2

spaced circular knives 6 are arranged at opposite sides of the conveyors 2 and 3 for cutting the heads and tails from the fish as they are conveyed thereto. The fish are directed downwardly by curved deflector plates 7 onto the conveyors 4 and 5 after they fall by gravity from the conveyors 2 and 3. The spaced projecting members of the conveyors 4 and 5 are so arranged with respect to one another that each space therebetween is adapted to receive a single fish as it drops from the conveyors 2 and 3. Extending around one end and beneath each of the conveyors 4 and 5, respectively, are fish supporting plates 8 and 8', which terminate at predetermined delivery points. The plates 8 and 8' are arranged in positions whereby they receive and support the fish falling from the conveyors 4 and 5. The spaced projecting members of the conveyors 4 and 5 cause the fish positioned therebetween to be carried along the supporting plates 8 and 8' to the ends thereof, at which points they are discharged therefrom and fall by gravity onto other parts of the apparatus as will be later described.

Secured to a vertical shaft 9 is a rotatable star wheel 10 having a predetermined number of uniformly spaced radial members which are arranged to rotate within an open top receptacle 11. The fish from the conveyor 4 are directed by the plate 8 onto the bottom of the receptacle 11 and the radial members of the wheel 10 slide or carry them in a clockwise direction to a discharge opening 11' in the bottom of the said receptacle through which they then drop. The movement of the conveyor 4 and the rotation of the wheel 10 are so synchronized as to provide for the depositing of a certain number of fish between each of the radial members. In the particular example herein illustrated there are two fish dropped between each of the wheel's radial members.

Secured to a vertical shaft 12 is a rotatable carrier table 13 carrying a plurality of radial supporting arms 14 (here shown as sixteen in number) which are uniformly spaced one from another. Each of the radial supporting arms 14 has an open top fish receiver 15 secured thereto.

UNITED STATES PATENT OFFICE

2,432,666

FISH CANNING MACHINE

Max K. Kuther, Monterey, and James Leonard Smith, Pacific Grove, Calif.

Application June 23, 1944, Serial No. 541,822

5 Claims. (Cl. 226—103)

1

This invention relates to improvements in canning machines.

An object of our invention is to provide an improved canning machine embodying novel automatic means by which fish or other produce to be canned is deposited into suitable molds where it is shaped and compressed for subsequent ejection into cans.

Other objects and advantages will be pointed out hereinafter, indicated in the appended claims, or will be obvious to one skilled in the art upon an understanding of the present disclosure. For the purpose of this application we have elected to show herein certain forms and details of a fish canning machine representative of our invention; it is to be understood, however, that the embodiments of our invention herein shown and described are for the purpose of illustration only, and that therefore they are not to be regarded as exhaustive of the variations of the invention, nor are they to be given an interpretation such as might have the effect of limiting the claims short of the true and most comprehensive scope of the invention in the art.

In the accompanying drawings:

Fig. 1 is a plan view of a fish canning machine embodying the preferred principles of our invention;

Fig. 2 is a sectional view taken substantially on the line 2—2 of Fig. 1;

Fig. 3 is an enlarged sectional view taken longitudinally through one of the radial arms of the rotatable carrier table;

Fig. 4 is an enlarged sectional view showing the means employed for trimming fish protruding from the cans and also the means for transferring a number of compressed fish from a receiving device to a can;

Fig. 5 is a sectional view taken on the line 5—5 of Fig. 3; and

Fig. 6 is a sectional view taken on the line 6—6 of Fig. 3.

Referring to the drawings, the numeral 1 designates a suitable frame for supporting the various parts of the machine. At one end of the frame are mounted two fish conveyors 2 and 3 each of which comprises a series of concave fish holding members secured to an endless belt. Fish, previously selected for size and in a suitably cleaned condition, are placed with their tails pointed inwardly, by hand or other means, on the conveyors 2 and 3 for delivery to two endless conveyors 4 and 5, each of which is provided with spaced projecting members arranged at predetermined distances from one another. Pairs of

2

spaced circular knives 6 are arranged at opposite sides of the conveyors 2 and 3 for cutting the heads and tails from the fish as they are conveyed thereto. The fish are directed downwardly by curved deflector plates 7 onto the conveyors 4 and 5 after they fall by gravity from the conveyors 2 and 3. The spaced projecting members of the conveyors 4 and 5 are so arranged with respect to one another that each space therebetween is adapted to receive a single fish as it drops from the conveyors 2 and 3. Extending around one end and beneath each of the conveyors 4 and 5, respectively, are fish supporting plates 8 and 8', which terminate at predetermined delivery points. The plates 8 and 8' are arranged in positions whereby they receive and support the fish falling from the conveyors 4 and 5. The spaced projecting members of the conveyors 4 and 5 cause the fish positioned therebetween to be carried along the supporting plates 8 and 8' to the ends thereof, at which points they are discharged therefrom and fall by gravity onto other parts of the apparatus as will be later described.

Secured to a vertical shaft 9 is a rotatable star wheel 10 having a predetermined number of uniformly spaced radial members which are arranged to rotate within an open top receptacle 11. The fish from the conveyor 4 are directed by the plate 8 onto the bottom of the receptacle 11 and the radial members of the wheel 10 slide or carry them in a clockwise direction to a discharge opening 11' in the bottom of the said receptacle through which they then drop. The movement of the conveyor 4 and the rotation of the wheel 10 are so synchronized as to provide for the depositing of a certain number of fish between each of the radial members. In the particular example herein illustrated there are two fish dropped between each of the wheel's radial members.

Secured to a vertical shaft 12 is a rotatable carrier table 13 carrying a plurality of radial supporting arms 14 (here shown as sixteen in number) which are uniformly spaced one from another. Each of the radial supporting arms 14 has an open top fish receiver 15 secured thereto. The fish receivers 15 are each open at opposite ends and each is preferably formed with a central semi-circular part which is slightly smaller in size than the corresponding part of a can used in the canning operation, and each receiver also has side wings which are arranged in upwardly and outwardly inclined positions. The circular counter-clockwise path through which the fish re-

ceivers 15 travel is directly beneath both the discharge end of the longer fish supporting plate 8' and the discharge opening 11' of the receptacle 11. The movement of the conveyor 5 and the rotation of the table 13 are synchronized so that a predetermined number of fish are deposited into each fish receiver 15 as it passes under the discharge end of the supporting plate 8'. In the particular example herein illustrated, there are two fish deposited with their larger ends disposed outwardly into each fish receiver from the supporting plate 8'. When each fish receiver 15 having the two already deposited fish therein reaches the discharge opening 11' of the receptacle 11, there will be deposited therein from the said receptacle two additional fish, making in all four fish. The position of the fish discharged from the receptacle 11 into each receiver will be such that their larger or head ends are pointed inwardly in the opposite direction to the two fish previously entering the receiver from the plate 8'. The counter-clockwise movement of the wheel 10 is so timed with respect to the similar movement of the table 13 and the arms 14 that two fish from the receptacle 11 are discharged into each receiver 15 when it reaches a position directly below the point of discharge. The inclined side wings of each of the receivers 15 provide suitable means for directing the received fish into the central part of the receiver where they are subsequently compressed. Associated with each fish receiver 15 is means for compressing the fish into a compact package prior to their being transferred into a can. The various fish compressing means being the same, a description of one will suffice for all. Secured to and extending upwardly from the opposite side edges of each arm 14 are spaced supports 16. Secured to a pivotal shaft 17 mounted on the supports 16 is a gear 18 and a fish compressing member 19, the latter having a semicircular end part which is of substantially the same shape as the central part of each fish receiver 15. The fish compressing member 19 is adapted to move downwardly to a position where it engages with the fish receiver 15. When the receiver and the compressing member are in engaging positions, they form a cylindrical device, open at its ends, within which the four fish may be compressed prior to their being transferred into a can. (See Figs. 3 and 4.) The fish compressing member 19 is moved upwardly and downwardly with timed reciprocating motion by means of a lever 20 having a gear 21 at one end which is in mesh with the gear 18 secured to the shaft 17. The lever is pivotally secured as at 22 to one of the supports 16 and its opposite end is provided with a roller 23 which engages externally with a suitably shaped cam 24 supported beneath the table 13. This cam 24 is of general semicircular shape and through the lever 20, the gears 21, 18 and the shaft 17, it serves to move the fish compressing member 19 downwardly to a position whereby it engages with the upper surface of the fish then located in the receiver 15. Complementary to the cam 24 is another cam 25 of general semicircular shape which is engaged internally by the roller 23 of the lever 20 after the said [illegible] the cam 24. This latter downward direction takes place after the second deposit of fish is made, this being when the receiver 15 passes the discharge opening 11' in the receptacle 11. It will be noted in Fig. 1 that the fish compressing members 19 assume different positions depending upon where they happen to be with respect to the points where the fish is admitted to the receivers 15 and where it is subsequently compressed preparatory to being transferred into a can.

Arranged in a predetermined position with respect to the discharge opening 11' of the receptacle 11 is a can delivery chute 26 which has its open discharge end positioned directly above a duplex ring-shaped track 27 secured to and carried circularly by the arms 14 (see Fig. 6). The track 27 has a plurality of uniformly spaced grooves 27' each of which is adapted to receive a can C dropping onto the track from the delivery chute 26. The lower end of the can delivery chute 26 has an opening 26' at one side which allows a can C then lodged in a groove 27' to be carried by the circularly moving track 27 past the said chute (see Fig. 6). Directly after the movement of a can C beyond the can delivery chute, the transfer of the compressed fish into the can is accomplished. Each arm is equipped with the same transfer means. Slidably mounted on each arm for outward and inward reciprocating motion through a fish receiver 15 is a pusher or plunger 28 which has a connecting rod portion extending through a supporting guide 29 on the arm. The pusher 28 is rigidly connected to a depending rod 30 extending through a slot in the arm and having a roller 31 at its lower end which engages exteriorly with a suitably shaped cam 32 supported beneath the table 13 in a position inwardly from the cam 24. A complementary cam 32' is engaged internally by the roller 31 to return the pusher to its normal position. The cam 32 is of general semicircular shape and through the roller 31 and the rod 30 it serves to move the pusher 28 outwardly against the fish then held in a compressed position inside the receiver 15. Through the cam 32 the outward movement of the pusher 28 is timed so that the compressed fish then clamped in the receiver 15 by the compressing member 19 will be pushed into the can C through the latter's inwardly disposed open end. The action of the pusher 28 in an outward direction and then inwardly is quite fast and such movement is so synchronized with respect to the compressing member 19 that the latter is in its extreme downward compressing position when the pusher is moved outwardly. Thus the compressed fish is automatically transferred into the can without loss of any substantial portion thereof. As the cans C with the fish therein are carried further in a counter-clockwise direction, they successively come to a circular rotating knife 33 which is so positioned as to cut off any excess fish which might be protruding from the open end of the can.

In order to brace the cans C and to maintain them against displacement when the pushers 28 are actuated to transfer the compressed fish thereto, a semicircular member 34 is arranged to engage with the closed ends of the cans at points where there will be an outward pressure from the

An electric motor 38 connected in the usual manner by suitable pulleys, belts, gears and cams to the various parts of the apparatus causes their timely operation to bring about the results attained. It is contemplated that suitable spraying apparatus be arranged at an advantageous location to further clean the fish either before or after their transfer to the receivers 18. It is also to be understood that various other products other than fish may be satisfactorily automatically transferred into cans by means of our improved machine.

Having described our invention, what we claim is:

1. In a produce canning machine, a carrier mounted for rotation about a substantially vertical axis, a plurality of radially disposed spaced arms on the carrier, an open top produce receiver on the outer end of each arm, means for delivering produce to the receivers, a compressing element pivoted on each arm and arranged for movement toward the produce receiver on said arm, whereby the produce in the receiver may be engaged and compressed, can delivery means for delivering open cans to the carrier, means for arranging the cans in positions whereby they may receive the compressed produce from the receivers, means on each arm and synchronized with the carrier and the compressing elements for forcing the produce from the receivers into the cans while the compressing elements are in engagement with the produce in the receivers.

2. In a produce canning machine, a rotatable carrier having a plurality of sets of produce receivers, produce compressors, and produce discharging members mounted thereon, means for delivering produce to the receivers, two stationary cam rings arranged beneath the carrier, separate means associated with each compressor and arranged in engagement with one of the cam rings for progressively actuating its associated compressor to and from an engaging position with respect to the produce in its associated receiver, and separate means associated with each produce discharging member and arranged in engagement with the other of the cam rings for actuating its associated discharging member to and from a discharging position, the means for actuating the compressors and the discharging members being synchronized to effect the discharge of produce from the receivers when the compressors have compressed the produce therein.

3. In a fish canning machine, an endless conveyor for conveying fish placed thereon to a point where they are discharged, an open fish receiver provided with a substantially horizontal flat bottom and arranged to receive fish discharged from the conveyor and having a discharge opening in

the said bottom, and a star wheel mounted for rotary movement in the receiver, the said star wheel having radially disposed members arranged to engage with the fish discharged onto the bottom of the receiver and carry them to the discharge opening in said bottom.

4. In a fish canning machine, an endless conveyor for conveying fish placed thereon to a point of discharge, an open fish receiver having a substantially horizontal bottom arranged to receive fish discharged from the conveyor, the said bottom of the receiver having a discharge opening, a star wheel mounted for rotary movement in the receiver and having radially disposed members arranged to engage with fish discharged into the receiver, the said radially disposed members being arranged to successively discharge one or a number of fish through the discharge opening in the bottom of the receiver, a carrier mounted for rotary movement beneath the receiver, a number of open fish receptacles on the carrier and arranged to successively receive fish discharged from the receiver, a compressor element associated with each receptacle for compressing fish received thereby, and a pusher element associated with each receiver for discharging the compressed fish therefrom.

5. In a produce canning machine, a carrier mounted for rotary movement about a substantially vertical axis, a plurality of open produce receivers arranged to be carried along a circular path by the carrier, produce delivery means for depositing produce into the open produce receivers, a compressing member synchronized with and mounted on the carrier and associated with each produce receiver, each compressing member being arranged to engage with the produce in its associated receiver at predetermined points along the path of travel of the receivers, and a plunger mounted on and synchronized with the carrier and associated with each compressing member and arranged to be actuated when its associated compressing member is in engagement with the produce in its associated receiver, whereby the produce in the receiver may be discharged therefrom while in a compressed state.

MAX K. KUTHER,
JAMES LEONARD SMITH.

REFERENCES CITED

The following references are of record in the file of this patent:

UNITED STATES PATENTS

Number	Name	Date
556,188	Holland	Mar. 10, 1896
1,891,870	Dodge	Dec. 20, 1932
2,015,089	Rooney	Sept. 24, 1935

PLAINTIFF'S EXHIBIT No. 10

DEPOSITION OF ALFRED LEUSCHNER

a witness named in the annexed notice, being of lawful age, and being first duly sworn in the above cause, testified on his oath as follows:

* * *

Q. What size cans were the three machines from Moss Landing designed to operate on?

A. They were designed for the 300 diameter tall, the one-pound tall, what we call here the one-pound tall, which is a three-inch diameter. We call it a three hundred can.

Q. How high would that can be, three inches in diameter, but how high?

A. Four eleven high. Four, eleven-sixteenths of an inch, four eleven.

Q. Now, am I right in assuming that the—this fourth machine is just like these other three, or is it different? A. What?

Q. Was this one from Richmond different from these three machines, or all four alike?

A. No, same—built for the same size.

Q. All four the same? A. Yes.

Q. Were those machines adjustable, such that they could operate on different size cans?

A. No, no.

Q. Just the one size?

A. No, Kuther contacted me and talked to me about that several times. He wanted to rebuild them or Southern California had asked him—like French

Plaintiff's Exhibit No. 10—(Continued)
(Deposition of Alfred Leuschner.)

sardine, and, oh, another big company down there, they got several of them—if he would rebuild those machines for 211 diameter, which is a half-pound can, and he told me, "Well, it's too much work, and it's no use for me to fool around."

Q. Yes. Now, in general, what were you to do with these machines, these four machines?

A. We reduced them from a three hundred by four eleven can to a two-oh-two by three-oh-eight can.

Q. And that's two hundredths inches or——

A. Two-oh-two is two-one-eight by three-oh-eight, three eight-sixteenths, or three and a half.

Q. Now, could you describe what you did on one of those machines to put it into the condition that Wilbur Ellis wanted?

A. Well, all four machines were the same. The main deal was the cleaning. And what we changed on them is we cut the plungers from three hundred diameter down to a two-oh-two diameter. Same plungers that were in the machine. We just cut the diameter down from three inch to two-oh-two.

Q. Yes.

A. And we made inserts from a three hundred diameter to a two-oh-two.

Q. Now, inserts——

A. In other words, we made a smaller pocket and set it right into the existing pocket and soldered it in.

Q. I see. And these——

Plaintiff's Exhibit No. 10—(Continued)
(Deposition of Alfred Leuschner.)

A. So we reduced the diameter for them.

Q. Referring to the drawings of this patent, those pockets in figure——

A. Yes, those are—these pockets here, yes. We reduced these pockets.

Q. ——in figure 1 are identified as fifteen. That would be these?

A. Fifteen, yes, that's right.

Q. And this patent we'll put in as Exhibit 3. Go ahead, what else?

A. And that fifteen is the pocket. The plunger is—was cut down from three inches to two-oh-two, two and one-eighth, in other words. Let's see, is number——

Q. That would be twenty-eight on Figure 3; that is the third page of drawings there. Did you change the length of the stroke of that plunger?

A. No, stroke was not changed. The guide railing was moved according to the size of the can. The same guide railing that was on, we cleaned it——

Q. Now, the guide railing, is that shown on this drawing?

A. It's—guide railing—it does not show in figure one—it ought to show here.

Q. Would that be this thirty-four going around the outside of the machine?

A. It's this railing here.

Q. Yes, thirty-four.

A. Oh, thirty-four, yes; moved that in.

Plaintiff's Exhibit No. 10—(Continued)
(Deposition of Alfred Leuschner.)

Q. You moved that in towards the——

A. Yes, because this can is shorter.

Q. Towards the center of the machine?

A. That's right. And we made these—is this the two supports here? Yes, these two supports here, naturally—those are two halves.

Q. Supports for which now?

A. For the can, can supports for these cans ride in. We made these two supports, see.

Q. Would that be this plate 27 that has the dimples that the cans ride in?

A. Yes, that's right, yes. It's this support here.

Q. All right.

A. That's all we made there. That was——

Q. You made that?

A. We made that, since the old ones were all rusted away and we needed a smaller diameter anyway, so that's——

Q. Well, even if the old plate had not been rusted, it would not have fitted?

A. No, we could have made inserts, though.

Q. I see. A. Yes.

Q. But as it was, it would not have handled those cans?

A. No, it wouldn't have handled those cans, no.

Q. I see. We have some knives, I think they are marked as 6 on this Figure 1, for cutting off the heads and tails of the fish. Did you have to change those? A. No. We put new knives on.

Plaintiff's Exhibit No. 10—(Continued)
(Deposition of Alfred Leuschner.)

Q. Well, are those knives to cut the fish to the length of the can or not?

A. Yes, they are adjustable, you can set them to the length of the can.

Q. I see. They were originally adjustable, too?

A. Yes, yes, yes.

Q. I see.

A. No, we just bought new knives because the old ones were broken out and rusted, so we just bought new knives and put new knives on.

Q. The chute here for delivering cans, it's marked as 26 in Figure 6 on the last page of drawings here, did you have to change that to accommodate the new size of cans?

A. To deliver the incoming empty cans?

Q. The incoming empty cans, that's right.

A. Yes, we had to narrow that down, yes, to the size of the smaller can.

Q. I see. Now, after you finished rebuilding these machines, would it be possible to use them for one-pound cans, or are they only good for the five-ounce cans now?

A. Well, a fellow could take the inserts out again and reconvert them over to the one-pound tall again.

Q. Well, you would have to put on new plungers?

A. Would have to cut the old plungers off and weld on new plungers, yes.

Q. Have to put on a larger can delivery chute?

Plaintiff's Exhibit No. 10—(Continued)
(Deposition of Alfred Leuschner.)

A. Yes, would have to extend the whole thing back in its original position, yes.

Q. And would have to move that guide rail back?

A. Guide rail out again, yes. See, the holes for the one-pound tall was there already. We just moved them in and drilled different holes.

* * *

[Endorsed]: Filed March 20, 1961.

DEFENDANT'S EXHIBIT D

In the United States District Court, Northern District of California, Southern Division

Civil Action No. 38418

MAX K. KUTHER, an Individual,

Plaintiff,

vs.

ALFRED LEUSCHNER, an Individual, Doing Business Under the Name and Style of Al's Machine Shop,

Defendant.

Civil Action No. 38859

MAX K. KUTHER, an Individual,

Plaintiff,

vs.

WILBUR-ELLIS COMPANY, a Corporation,

Defendant.

AFFIDAVIT OF ALFRED LEUSCHNER

I, Alfred Leuschner, being duly sworn, depose and state:

(1) That I am the Defendant in the above-entitled Civil Action No. 38,418;

(2) The modifications which I made in the four machines charged to infringe the patent in suit are described by me at pages 16-19 of my deposition of April 28, 1960;

(3) That in addition to the modification so described in my deposition, the rotary cutting knives, identified by reference numeral 33 in the patent and employed to trim the fish extending out of the cans, were removed from the machines and not replaced;

(4) And that no other modifications in said machines were made by me.

/s/ ALFRED LEUSCHNER.

State of California,
County of Santa Clara—ss.

Subscribed and sworn to before me this 20th day of March, 1961.

[Seal] /s/ ROBERT H. MINOR,
Notary Public.

[Endorsed]: Filed March 27, 1961.

[Title of District Court and Cause.]

Nos. 38418 & 38859

CERTIFICATE OF CLERK TO RECORD ON APPEAL

I, James P. Welsh, Clerk of the United States District Court for the Northern District of California, hereby certify the foregoing and accompanying documents and exhibits listed below, are the originals filed in this Court in the above-entitled case and constitute the record on appeal herein as designated by counsel for the appellants and counsel for the appellees:

Docket Entries.

Complaint. (In 38418.)

Complaint. (In 38859.)

Filed stip. & order extending time for defendant to plead. (In 38418.)

Filed answer of Alfred Leuschner. (38418.)

Filed answer of Wilbur-Ellis Company. (38859.)

Plaintiff's notice of motion to set for trial. (38418.)

Plaintiff's notice of motion to set for trial. (38859.)

Deposition of Alfred Leuschner. (38418.) (Plaintiff's Exhibit No. 10.)

Defendant's notice & motion for summary judgment of non-infringement.

Defendant's memorandum in support of motion for summary judgment.

Affidavit of Alfred Leuschner. (Defendant's Exhibit "D.")

Plaintiff's opposition to motion for summary judgment.

Defendant's reply memorandum to opposition to motion for summary judgment.

Plaintiff's correction of the affidavit of Max K. Kuther, with affidavit of Max K. Kuther attached.

Plaintiff's trial brief.

Stipulation of counsel that deposition of Alfred Leuschner may be used in Case No. 38859.

Plaintiff's memorandum after trial.

Defendant's memorandum summarizing the issues, the contentions of the parties, the evidence and discussion.

Plaintiff's reply memorandum after trial.

Defendant's reply memorandum.

Memorandum of opinion. (Sweigert.)

Defendant's notice & motions to assess damages and to adopt proposed modification of findings, conclusions and judgment.

Plaintiff's memorandum concerning and in opposition to defendant's motions to assess damages and to adopt proposed modification of findings, conclusions and judgment.

Defendant's memorandum in reply to plaintiff's memorandum in opposition to defendant's motions to assess damages and to adopt proposed modification of findings, conclusions and judgment.

Findings of fact and conclusions of law.

Judgment.

Bill of costs, taxed at $258.30.

Notice of appeal by Defendants.

Defendant's motion & notice of motion, staying enforcement of judgment during pendency of appeal and for supersedeas bond.

Stipulation of counsel continuing hearing on motion for supersedeas bond.

Order granting stay of enforcement of judgment and for supersedeas bond in the sum of $7,000.00. (Harris.)

Defendant's designation of record on appeal and statement of points to be relied upon on appeal.

Supersedeas bond in the sum of $7,000.00, filed by Max K. Kuther.

Notice by Defendants of filing of supersedeas bond.

Plaintiff's designation of additional contents of record on appeal.

Order extending time for filing record on appeal.

1 vol. reporter's transcript, proceeding of trial, April 26, 1961.

Plaintiff's exhibits Nos. 1-2-3-4-5-6-7-8-9-10-11.

Defendant's exhibits A-B-C-D-E-F-G-H.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said District Court, this 5th day of February, 1962.

[Seal] JAMES P. WELSH,
Clerk;

By /s/ HARRY R. OLIVER,
Deputy Clerk.

[Endorsed]: No. 17756. United States Court of Appeals for the Ninth Circuit. Alfred Leuschner, an Individual, Doing Business Under the Name and Style of Al's Machine Shop; and Wilbur-Ellis Company, a Corporation, Appellants, vs. Max K. Kuther, an Individual, Appellee. Transcript of Record. Appeal from the United States District Court for the Northern District of California, Southern Division.

Filed: Feb. 5, 1962.

Docketed: Feb. 19, 1962.

/s/ FRANK H. SCHMID,
Clerk of the United States Court of Appeals for the Ninth Circuit.

United States Court of Appeals
for the Ninth Circuit

Case No. 17756

ALFRED LEUSCHNER, an Individual, Doing Business Under the Name and Style of Al's Machine Shop; and WILBUR-ELLIS COMPANY, a Corporation,

Appellants,

vs.

MAX K. KUTHER, an Individual,

Appellee.

APPELLANTS' STATEMENT OF POINTS AND DESIGNATION OF RECORD

The points upon which appellants intend to rely on their appeal are:

1. There is no proper basis in law for the following conclusions of law made by the trial court: III; IV; V; VI; VII; IX; XII; and XIII.

2. There is no proper basis in law for the following paragraphs of the Judgement of the trial court: IV; V; and VI.

Appellants designate the following parts of the record as being material to the consideration of their appeals:

1. The pleadings consisting of the complaint and answer in each of the two consolidated cases.

2. The "Memorandum of Opinion," filed on July 6, 1961, of the trial court.

3. The findings of fact and conclusions of law adopted and entered by the trial court.

4. The judgment entered by the trial court on October 9, 1961, and the district court clerk's notice as to the entry thereof.

5. The notice of appeal, dated November 7, 1961, and the district court clerk's notice as to the date of the filing thereof.

6. Exhibit No. 1 (a copy of the patent in suit).

7. From line 20, page 14, through line 5, page 20 of Exhibit No. 10 (the transcript of the deposition of Alfred Leuschner).

8. Exhibit D (the affidavit of Alfred Leuschner).

Our check covering the docket fee on appeal is enclosed.

Dated: February 14, 1962.

Respectfully submitted,

NAYLOR & NEAL,
JAMES M. NAYLOR,
FRANK A. NEAL,

By /s/ FRANK A. NEAL,
Attorneys for Appellants.

Receipt of copy acknowledged.

[Endorsed]: Filed February 15, 1962.

[fol. 58]

IN UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

Before: Jertberg, Merrill, Circuit Judges, and Pence, District Judge.

MINUTE ENTRY OF ARGUMENT AND SUBMISSION—
October 2, 1962

This cause coming on regularly for hearing or submission, Mr. Frank A. Neal, argued for the appellant, and Mr. Carlisle M. Moore, argued for the appellee, thereupon the Court ordered the cause submitted for consideration and decision.

[fol. 59]

IN UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

Before: Jertberg, Merrill, Circuit Judges, and Pence, District Judge.

MINUTE ENTRY OF ORDER DIRECTING FILING OF OPINION AND DISSENTING OPINION AND FILING AND RECORDING OF JUDGMENT—January 29, 1963

Ordered that the typewritten opinion and dissenting opinion this day rendered by this Court in above cause be forthwith filed by the Clerk and that a judgment be filed and recorded in the minutes of this Court in accordance with the majority opinion rendered.

[Vol. 60]

IN UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

No. 17,756

ALFRED LEUSCHNER, an Individual, Doing Business Under the Name and Style of AL'S MACHINE SHOP; and WILBUR-ELLIS COMPANY, a Corporation, Appellants,

vs.

MAX K. KUTHER, an Individual, Appellee.

Appeal from the United States District Court for the Northern District of California, Southern Division.

OPINION—January 29, 1963

Before: Jertberg and Merrill, Circuit Judges, and Pence, District Judge.

PENCE, District Judge:

Appellee, Kuther (plaintiff below), was the owner of a patented fish canning machine. All machines manufactured with the authority of the patentee were made solely to pack fish into one-pound size cans, 3 inches in diameter and 4-11/16ths inches high. The four machines involved here, when new, sold for between $8,000 to $10,000, and appellee was paid a royalty of $1,500 per machine. The machines were designed to pack small fish such as sardines, and because of their construction and mode of operation would be useless to pack large fish such as salmon. As the patented machines were manufactured, whole small fish were delivered to small, open-top, U-shaped fish receivers in such a manner that the fish headed half in one direction and half in the other, so that the fish would be interlaced when packed in the can. A compressor moved into the U-shaped fish receiver so that the interlaced fish formed a cylinder having a diameter slightly less than the can

[fol. 61] into which they were to be packed. A plunger then forced the cylinder of fish from the receiver into the can.

Wishing to can smaller sardines into smaller cans than those for which the patented machines had been built, Wilbur-Ellis Company, one of the appellants (and a defendant below), bought four secondhand machines. Three of the four machines had been inoperative since 1952 and had been left standing in an old packing plant until 1958, uncared for, and exposed to rain and salt air, so that they had become corroded and frozen solid to the extent that they were inoperable when purchased. The fourth machine as originally built was the same as the three above described. All the machines as built were not adjustable, but were designed to pack fish into the one-pound size cans, exclusively.

Wilbur-Ellis first approached Kuther to rebuild the machines for packing half-pound cans, but he had replied: "Well, it's too much work, and it is no use for me to fool around." So, thereafter, without securing Kuther's consent, Wilbur-Ellis hired Leuschner, another appellant (and a defendant below), to put the machines in shape to can fish in the can size desired by Wilbur-Ellis.

To do this, Leuschner had to clean and sandblast the corrosion from the machines to make them operable, and replace certain can supports which, although normally as long-lived as the machine, had rusted away. Certain plungers, originally designed of a diameter for one pound cans, were so corroded that they could be rendered operable only if they were replaced or were ground down, which grinding would reduce their diameter so that the plungers would no longer be operable for their original purpose, i.e., to force the cylinder of fish into one pound cans. Under the direction of Wilbur-Ellis, Leuschner ground down the plungers and fitted inserts into certain pockets and compressors to change and reduce their original size so that they could be used for packing smaller cans. He also changed certain other parts of the machine, including the guide rails for the cans after they were filled with fish, so that the rails would handle only five ounce cans, which were but 2⅛ inches in diameter and 3½ inches long.

Leuschner, on instructions of Wilbur-Ellis, altogether made six changes in the thirty-five elements which, combined together, made up the patented fish canning machine. [fol. 62] As to the rest of the different elements of the machine, no changes were made as to either size, position or replacement. Of the six changes, the can tracks, plungers, receivers and compressors were rusted or corroded to the point that their replacement was called for if the machines were to be made operable as originally built, i.e., to pack one pound cans. Instead of replacement with parts of the original size, each such element was reduced in size or so changed that the machine could thereafter be used only in packing the five-ounce size can desired by Wilbur-Ellis.

Kuther, as owner of the patent monopoly, thereafter brought suits for infringement against Wilbur-Ellis, as well as Leuschner. The District Court in a well-reasoned opinion found such infringement, and gave judgment for Kuther (and against both defendants, jointly and severally) for $6,000, i.e., $1,500 per machine—that being the royalty he normally received from the sale of machines manufactured under license by him.

The arbitrary refusal of Kuther to rebuild the machines gave Wilbur-Ellis no right to do such rebuilding themselves. It is well settled that it is the exclusive privilege of the owner of a patent monopoly to permit the use of his patent or deliberately keep his invention out of use during the life of the patent, regardless of his motive. *Paper Bag Patent Case*, 210 U.S. 405.

As was first stated in *Wilson* v. *Simpson*, 9 How. 109, 123 (1850), it is the use of the whole patented combination which a purchaser buys, and repair or replacement of a worn-out, damaged or destroyed part which renders the combination inoperable is but an exercise of the right "to give duration to that which he owns, or has a right to use as a whole", and it is permissible to restore the machine to the original use for which it was bought. This rule was reaffirmed in *Aro Mfg. Co.* v. *Convertible Top Co.*, 365 U.S. 336 (1961), the Court holding that the patentee's monopoly cannot and does not prevent those to whom the patented machine is sold from reconditioning articles worn

by use unless in fact they make a new article (p. 343). "In order to call the monopoly, conferred by the patent grant, into play for a second time, it must, indeed, be a second creation of the patented entity . . ." (p. 346).

Weighed on the above scales, the work performed by the appellants on the machines was not simply "maintenance [fol. 63] of the 'use of the whole' of the patented combination through replacement (and repair) of a spent unpatented element", but was such "a true reconstruction of the entity as to 'in fact make a new article'." *Aro* v. *Convertible Top, supra,* 346. The record is crystal clear that appellants made no attempt simply to replace worn-out parts in order to make the machines operate as originally manufactured. They deliberately modified and changed the machines in six different particulars in order to make each machine fit Wilbur-Ellis' own specific purposes, viz., the packing of five ounce rather than one pound cans of fish. Granting that appellants had the right to repair and patch each part of the fish canning machines which they bought and paid for to make the machines last as long as possible (*Cf. Aro, etc.* 357), such right did not entitle them to use that patented combination in making over the machines into fundamentally different machines from those which Wilbur-Ellis purchased, i.e., to "make a new article."

The appellants went beyond the limits of preservation of a machine's fitness as laid out in *Leeds & Catlin Co.* v. *Victor Talking Machine Co. (No. 2)*, 213 U.S. 325, 336, viz.: "The license granted to a purchaser of a patented combination is to preserve its fitness for use so far as it may be affected by wear or breakage. Beyond this there is no license."

Appellants insist, however, that theirs was not an unauthorized reconstruction of the machines, but rather that, in the course of exercising their right of repair (without making any changes in the operating procedure of the machine), they did but modify each machine to pack a smaller size can, and that change in size alone does not normally constitute reconstruction. In justification of their position, they rely upon *Hess-Bright Mfg. Co.* v. *Bearings Co. of Pennsylvania*, 271 Fed. 350 (D.Ct. Pa. 1921), and

Tabulating Machine Company v. *Durand* (Sup.Ct. D.C. 1910), 150 Official Gazette. Appellants urge that, as was done in the *Hess-Bright case, supra,* in order to render the plungers operable, it was necessary to grind them down to a smaller diameter, thereby making it impossible for the machines to pack the one pound can, and rendering the machines usable only for handling the small, five ounce cans, and that similarly, the receivers and compressors could be salvaged only by fitting inserts which would [fol. 64] minimize their original size. Appellants also insist that since the only change in the patented combination, resulting from their "repairs", pertain solely to size of the can which the machine would ultimately handle, they were authorized to do so under authority of the statement made in *Tabulating Machine, etc., supra:* "I don't understand . . . that invention ever resides in the size of a machine alone."

The *Hess-Bright* and *Tabulating Machine* cases were each single judge decisions, and in each, the line of demarcation between repairs and making over was very thin. The result in each was reached on the peculiar set of facts presented. Whatever slight virility the dicta in each case, viz., that the identity of the invention is not lost by a change in size, may have had, it has been emasculated by *George Close Co.* v. *Ideal Wrapping Mach. Co.,* 29 F.2d 533, 535 (C.A. 1 1928), *Miller Hatcheries, Inc.* v. *Buckeye Incubator Co.,* 41 F.2d 619 (C.A. 8 1930) and *Cinema Patents Co. Inc.* v. *Columbia Pictures Corporation,* 62 F.2d 310 (C.A. 9 1932). Cf. also *National Cash Register Co.* v. *Grobet,* 153 F. 905 (C.A. 2 1907). The rule (as stated in *Close* v. *Ideal, supra,* dealing solely with the problem of a change in size of a patented combination) that the sale of a machine embodying the invention, while carrying the right to use the invention, does not give to the purchaser the right to rebuild the purchased machine into other machines embodying the patent invention, is inferentially affirmed by *Aro, etc., supra.*

Here the appellants did not simply repair Kuther's patented machines, they reconstructed, rebuilt and modified each to suit Wilbur-Ellis' desires. In so doing, they embodied therein Kuther's patented combination, thus clearly infringing upon Kuther's patent monopoly.

The judgment of the District Court is affirmed.

MERRILL, Circuit Judge, dissenting

I cannot agree that the fact that these machines as restored wound up operating on five ounce cans instead of one pound cans has, apart from other considerations, resulted in a destruction of their original identity and the creation of new machines. The question to me should be [fol. 65] whether the alterations necessary in order to accomplish this result were of such a character as to amount to reconstruction under recognized tests such as those discussed in Aro Manufacturing Company v. Convertible Top Company, 1961, 365 U.S. 336.

The district court has not found on these matters. Its consideration was limited to the question, as stated in its opinion, "Whether it is infringement for the possessor of a patented combination designed to pack one pound cans only, to so change essential parts that the machine will pack five ounce cans only."

Here it would appear that the replacements did not newly create a patented combination, but that they simply bore on the useful capacity of the old combination on which royalty had already been paid—the very combination which by sale had been released from monopoly.

It is apparent from the opinion of the district court that it was concerned with the patentee's right to refrain from manufacture of machines to handle other sizes or for other purposes. If the patentee has commercial concern with the sort of use to which the machine (or combination) is to be put, he can and should protect himself by the commercial arrangement by which the patent is released. If released by sale, the combination sold should, in my view, be regarded as released in all its full usefulness until that usefulness is spent.

For these reasons, I would reverse.

(Endorsed) Opinion and Dissenting Opinion Filed January 29, 1963.

Frank H. Schmid, Clerk.

[fol. 66]

IN UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

No. 17,756

ALFRED LEUSCHNER, an individual dba Under the Name and Style of Al's Machine Shop., etc., Appellants,

vs.

MAX K. KUTHER, an Individual, Appellee.

JUDGMENT FILED AND ENTERED—January 29, 1963

Appeal from the United States District Court for the Northern District of California, Southern Division.

This Cause came on to be heard on the Transcript of the Record from the United States District Court for the Northern District of California, Southern Division and was duly submitted.

On Consideration Whereof, It is now here ordered and adjudged by this Court, that the judgment of the said District Court in this Cause be, and hereby is affirmed.

[fol. 67] Clerk's Certificate to foregoing transcript (omitted in printing).

[fol. 68]

SUPREME COURT OF THE UNITED STATES

No. 1024—October Term, 1962

WILBUR-ELLIS COMPANY, et al., Petitioners,

vs.

MAX K. KUTHER

ORDER ALLOWING CERTIORARI—May 20, 1963

The petition herein for a writ of certiorari to the United States Court of Appeals for the Ninth Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

LIBRARY
SUPREME COURT, U. S.

Office-Supreme Court, U.S.
FILED
APR 17 1963
JOHN F. DAVIS, CLERK

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1962 3

No. [redacted] 109

WILBUR-ELLIS COMPANY, et al., *Petitioners,*

vs.

MAX K. KUTHER, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI
to the United States Court of Appeals for the Ninth Circuit

FRANK A. NEAL,
401 Russ Building,
San Francisco 4, California,
Counsel for Petitioners.

JAMES M. NAYLOR,
KARL A. LIMBACH,
NAYLOR & NEAL,
401 Russ Building,
San Francisco 4, California,
Of Counsel.

PERNAU-WALSH PRINTING CO., SAN FRANCISCO

Subject Index

	Page
Citations to opinions below	1
Jurisdiction	2
Questions presented	2
Constitutional provision involved	4
Statutory provisions involved	4
Statement	5
Reasons for granting the writ	7
Conclusion	10

Table of Authorities Cited

Cases	Pages
Aro Manufacturing Co., Inc., et al. v. Convertible Top Replacement Co., Inc., 365 U.S. 336	2, 3, 6, 7, 9
Mercoid Corp. v. Mid-Continent Co., 320 U.S. 661 (1944)	8, 9
Hill v. Wooster, 132 U.S. 693	9
Thompson v. Boisselier, 114 U.S. 1	9

Statutes

28 United States Code:	
Section 1254(1)	2
Section 1338(a)	6
35 United States Code Annotated:	
Sections 111 to 265, p. 4, Patents	4
35 United States Code:	
Section 112	4
Section 271	4
Section 271(a)	7
Section 281	6
Section 282	4

Constitutions

United States Constitution:	
Article I, Section 8	3, 4
Article III	7

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1962

No.

WILBUR-ELLIS COMPANY, et al.,
Petitioners,

vs.

MAX K. KUTHER,
Respondent.

PETITION FOR A WRIT OF CERTIORARI
to the United States Court of Appeals
for the Ninth Circuit

Petitioners pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit entered in the above-entitled case on January 29, 1963, a copy of said judgment being appended hereto as Appendix A.

CITATIONS TO OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit and the dissenting opinion of Judge

Merrill of the United States Court of Appeals for the Ninth Circuit are reported at ___ F.2d ___ and at 136 USPQ 332, copies of said opinions being appended hereto as Appendix B.

The opinion of the District Court is reported at 200 F. Supp. 841 and at 131 USPQ 463. The opinion of the District Court appears in the record printed for the use of the Court below, at pp. 15-26.

JURISDICTION

The date of the judgment of the Court of Appeals was January 29, 1963, and said judgment was entered on January 29, 1963.

Jurisdiction is conferred upon this Court to review the judgment of the Court of Appeals by writ of certiorari by the United States Code, Title 28, Section 1254(1).

QUESTIONS PRESENTED

1. Whether the Court of Appeals could confer patent monopoly over some unpatented replacement parts, which together constituted substantially less than the overall combination of parts making up the patented entity, in view of the following statement by the Court in *Aro Manufacturing Co., Inc., et al. v. Convertible Top Replacement Co., Inc.*, 365 U.S. 336:

> "No element, not itself separately patented, that constitutes one of the elements of a combination patent is entitled to patent monopoly however essential

it may be to the patented combination, and no matter how costly or difficult replacement may be."

2. Whether the conferring by the Court of Appeals of patent monopoly over some unpatented replacement parts is authorized by Article I, Section 8 of the Constitution when said unpatented replacement parts do not amount, either singly or all together, to the discovery of an inventor.

3. Whether this Court in *Aro*, supra, inferentially affirmed (as contended by the Court of Appeals below) that the replacement of substantially less than all of the separately unpatented parts of a patented combination, or entity, by one rightfully in possession of the entity amounts to infringement of the patent covering the entity when the parts so replaced differ in size from the original parts.

4. Whether, on the one hand, it constitutes patent infringement to replace substantially less than the entirety of the separately unpatented parts of a patented combination where the replacement parts are different in size from the original parts, while, on the other hand, and as admitted by the Court of Appeals, it would not have constituted patent infringement if the replacement parts were similar in size to the original parts.

5. Question No. 4 above, in view of the state of the record before this Court in *Aro, supra*, e.g.:

"Q. I believe we can get into this question of installation later on, but to revert for the moment to something you did say, you said that no trim man would take the time or the trouble to install one of

your tops the same way that it had been installed in the factory?

"A. Another correction. He could not install it like the factory because we don't make it the same way." (R. Vol. III, p. 630)

CONSTITUTIONAL PROVISION INVOLVED

The Congress shall have power—To Promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors, the exclusive Right to their respective Writings and Discoveries. U.S. Const., Art. I, Sec. 8.

STATUTORY PROVISIONS INVOLVED

35 U.S.C. Section 112, insofar as it is pertinent, reads as follows:

"The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." (United States Code Annotated, Title 35, Patents, Sections 111 to 265, p. 4)

35 U.S.C. Section 271, insofar as it is pertinent, reads as follows:

"(a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent." United States Code Annotated, Title 35, Patents, Sections 266 to End, p. 17)

35 U.S.C. Section 282, insofar as it is pertinent, reads as follows:

"The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liaiblity for infringement, or unenforceability," (United States Code Annotated, Title 35, Patents, Sections 266 to End, p. 37)

STATEMENT

Respondent, Kuther (plaintiff-appellee below), is the owner of United States Letters Patent No. 2,452,666 for Fish Canning Machine.

A number of machines covered by this patent were manufactured and sold under authorization of the respondent. Among these machines were the four machines rightfully acquired and owned by the Petitioner, Wilbur-Ellis Company. Respondent had been paid a royalty of $1,500.00 for each of these four machines prior to their acquisition by Wilbur-Ellis Company.

As originally constructed these four machines operated to pack fish into cans which were 3 inches in diameter and 4-11/16 inches high.

Three of the four machines had been exposed to the weather, thus causing them to be rusted and inoperative in the condition in which they were acquired by Wilbur-Ellis Company. The fourth machine was also inoperative in the condition in which it was acquired by Wilbur-Ellis Company.

Petitioner, Wilbur-Ellis Company, hired Petitioner, to put the machines in condition so they would operate and also to re-size six of the thirty-five elements which,

said the Court of Appeals, when combined together made up the patented combination, or entity. The re-sizing of these elements was for the purpose of enabling the four machines to operate to pack fish into smaller cans, i.e., cans 2½ inches in diameter and 3½ inches long.

Both the District Court and the Court of Appeals, the latter by a two to one decision, held that if the work done by Leuschner to put the four machines into operating condition had not involved the re-sizing of the six elements there would have been no infringement by way of reconstruction. But, said both of the courts below, infringement by way of reconstruction resulted when the six original elements were re-sized. Both of the courts below agreed that if the six re-sized elements had instead been replaced with new elements corresponding in size to their original counterparts there would have been no infringement, but only permissible repair.

The majority and dissenting opinions of the Court of Appeals each rely on the opinion of this Court in *Aro*, supra.

The Court of Appeals did not mention the constitutional problem. The attention of the Court of Appeals was not directed by the Petitioners to this constitutional problem.

The basis for federal jurisdiction in the court of first instance was afforded by the patent laws of the United States (35 U.S.C. Section 281) and the jurisdictional provisions [28 U.S.C. Section 1338(a)] appertaining to civil actions for patent infringement.

REASONS FOR GRANTING THE WRIT

1. The United States Court of Appeals for the Ninth Circuit has decided an important question of federal law in a manner which defeats the policy of this Court of facilitating resistance to patent abuse and of striking down attempts to extend patent monopolies by way of attempts to obtain more than one royalty per patented item, and in deciding this important question of federal law the majority below has misinterpreted and misapplied this Court's recent decision in *Aro Manufacturing Co., Inc., et al v. Convertible Top Replacement Co., Inc.*, 365 U.S. 336.

2. Any case where a lower court fails to follow the announced and reiterated policy or rule of decision of this Court is one which requires review and correction to instill in lower courts the understanding that the powers vested in this Court under Article III of the Constitution as the highest appellate court necessarily create duties in the lower courts to follow the announced policies or rules of decision of this Court.

3. To construe 35 U.S.C. Section 271(a) as conferring patent monopoly over the separately unpatented canning machine parts which were replaced by Petitioners in the sense of being re-sized is an unconstitutional construction of the statute because the exclusive right for a limited time which the Constitution authorizes Congress to grant is limited to the discovery of an inventor. The unpatented parts which were replaced in the sense of being re-sized do not, either singly or collectively, amount to the discovery of an inventor. It is an anomaly requiring the corrective attention of this Court for the Court of Appeals

to have held, in effect, that the respondent had no patent monopoly in the six out of thirty-five parts constituting the patented entity except where the six parts were different in size from, although similar in function to, their six original counterparts.

4. In *Mercoid Corp. v. Mid-Continent Co.*, 320 U.S. 661 (1944), this Court held that the scope of the patent grant conferred upon the owner of a combination patent does not embrace an unpatented appliance, even though it is an essential part of the combination. If *Mercoid* forbids the patentee from exercising patent monopoly over an unpatented element for original installation in a patented combination, it follows that *Aro* should have left no doubt that the patentee has no right to patent monopoly over an unpatented element for replacing a spent one in the patented combination, regardless of whether the unpatented element is the same or different as to size with respect to the spent element. To sanction such control would be to permit the patentee "to derive its profit not from the invention on which the law gives it a monopoly, but from the unpatented supplies" necessary for its continued use or operation.

If there is anything that this Court made clear in *Mercoid*, supra, it is that the combination patent monopoly cannot be expanded to cloak an unpatented element of the combination with protection as effective as if a patent had been issued on that element.

5. Although the court below did not discuss the constitutional issue, it is respectfully submitted that the construction of 35 U.S.C. 271(a) which inheres in the decision by the court below is unconstitutional because the

Constitution gives Congress the power to confer exclusive rights in only the discovery of the inventor. It has long been recognized that what is discovery of an inventor is a constitutional standard (*Hill v. Wooster*, 132 U.S. 693, 701; *Thompson v. Boisselier*, 114 U.S. 1, 11). Mr. Justice Jackson, dissenting in *Mercoid*, said: "I see no constitutional or statutory authority for giving * * * additional value by bringing into its monopoly all or any of the unpatentable parts." The six out of the total of 35 parts making up the patented entity which were replaced in the sense of being re-sized are not, either singly or collectively, the discovery of the inventor, the respondent.

6. Mr. Justice Black properly observed in his concurring opinion in *Aro*, supra, that business enterprises which engage in the making and selling of smaller parts for larger products for repair or replacement purposes are of great importance in our competitive economy; that the operators of such business enterprises are entitled to know when they are committing an infringement; that it is for that reason that the patent statutes require applicants to define with particularity and claim without ambiguity the subject matter which is regarded to be an invention; and that in the absence of suits like *Aro* how was a businessman to suspect that he might be infringing a patent by marketing an unpatented and unpatentable part of a patented combination. The subject case, on principle, has the type of importance in this sense presented by *Aro*, in that if the decision of the Court of Appeals is permitted to stand, dangerous inroads will have been made against the anti-monopoly pronouncements of this Court, as in *Mercoid* and in *Aro*, with reference to

the scope of monopoly afforded by patent claims directed to combinations.

CONCLUSION

It is respectfully submitted that in view of the foregoing the granting of the subject petition is in order. It is further submitted that it would be particularly timely to grant the subject petition at this time so that the questions presented could be considered along with the questions presented in the latest petition for a writ of certiorari in *Aro*, said latest petition in *Aro* having been granted by this Court on April 1, 1963. These two petitions for writ of certiorari, the one granted on April 1, 1963 in *Aro* and the other being the subject petition, afford this Court the opportunity to thwart the tendencies of the lower federal courts to avoid paying heed to the anti-monopoly policy mandates of this Court with reference to the proper scope and protection afforded by patent claims directed to combinations of elements.

Dated, San Francisco, California,
April 12, 1963.

Respectfully submitted
FRANK A. NEAL,
Counsel for Petitioners.

JAMES M. NAYLOR,
KARL A. LIMBACH,
NAYLOR & NEAL,
Of Counsel.

(Appendices A and B Follow)

Appendix A

Judgment
United States Court of Appeals
For the Ninth Circuit

Alfred Leuschner, an individual, Doing Business Under the Name and Style of Al's Machine Shop; and Wilbur-Ellis Company, a Corporation, Appellants, vs. Max K. Kuther, an Individual, Appellee.	No. 17,756

Appeal from the United States District Court for the Northern District of California, Southern Division.

This Cause came on to be heard on the Transcript of the Record from the United States District Court for the Northern District of California, Southern Division, and was duly submitted.

On Consideration Whereof, It is now here ordered and adjudged by this Court, that the judgment of the said District Court in this Cause be, and hereby is affirmed.

Filed and entered January 29, 1963.

Appendix B

United States Court of Appeals
for the Ninth Circuit

Alfred Leuschner, an individual, Doing Business Under the Name and Style of Al's Machine Shop; and Wilbur-Ellis Company, a Corporation, Appellants, vs. Max K. Kuther, an Individual, Appellee.	No. 17,756 Jan. 29, 1963

Appeal from the United States District Court
for Northern District of California,
Southern Division

Before: JERTBERG and MERRILL, Circuit Judges, and PENCE, District Judge.

PENCE, District Judge:

Appellee, Kuther (plaintiff below), was the owner of a patented fish canning machine. All machines manufactured with the authority of the patentee were made solely to pack fish into one-pound size cans, 3 inches in diameter and 4-11/16ths inches high. The four machines involved here, when new, sold for between $8,000 to $10,000, and appellee was paid a royalty of $1,500 per machine. The

machines were designed to pack small fish such as sardines, and because of their construction and mode of operation would be useless to pack large fish such as salmon. As the patented machines were manufactured, whole small fish were delivered to small, open-top, U-shaped fish receivers in such a manner that the fish headed half in one direction and half in the other, so that the fish would be interlaced when packed in the can. A compressor moved into the U-shaped fish receiver so that the interlaced fish formed a cylinder having a diameter slightly less than the can into which they were to be packed. A plunger then forced the cylinder of fish from the receiver into the can.

Wishing to can smaller sardines into smaller cans than those for which the patented machines had been built, Wilbur-Ellis Company, one of the appellants (and a defendant below), bought four secondhanded machines. Three of the four machines had been inoperative since 1952 and had been left standing in an old packing plant until 1958, uncared for, and exposed to rain and salt air, so that they had become corroded and frozen solid to the extent that they were inoperable when purchased. The fourth machine as originally built was the same as the three above described. All the machines as built were not adjustable, but were designed to pack fish into the one-pound size cans, exclusively.

Wilbur-Ellis first approached Kuther to rebuild the machines for packing half-pound cans, but he had replied: "Well, it's too much work; and it is no use for me to fool around." So, thereafter, without securing Kuther's consent, Wilbur-Ellis hired Leuschner, another appellant (and

a defendant below), to put the machines in shape to can fish in the can size desired by Wilbur-Ellis.

To do this, Leuschner had to clean and sandblast the corrosion from the machines to make them operable, and replace certain can supports which, although normally as long-lived as the machine, had rusted away. Certain plungers, originally designed of a diameter for one pound cans, were so corroded that they could be rendered operable only if they were replaced or were ground down, which grinding would reduce their diameter so that the plungers would no longer be operable for their original purpose, i.e., to force the cylinder of fish into one pound cans. Under the direction of Wilbur-Ellis, Leuschner ground down the plungers and fitted inserts into certain pockets and compressors to change and reduce their original size so that they could be used for packing smaller cans. He also changed certain other parts of the machine, including the guide rails for the cans after they were filled with fish, so that the rails would handle only five ounce cans, which were but 2⅛ inches in diameter and 3½ inches long.

Leuschner, on instructions of Wilbur-Ellis, altogether made six changes in the thirty-five elements which, combined together, made up the patented fish canning machine. As to the rest of the different elements of the machine, no changes were made as to either size, position or replacement. Of the six changes, the can tracks, plungers, receivers and compressors were rusted or corroded to the point that their replacement was called for if the machines were to be made operable as originally built, i.e., to pack one pound cans. Instead of replacement with

parts of the original size, each such element was reduced in size or so changed that the machine could thereafter be used only in packing the five-ounce size can desired by Wilbur-Ellis.

Kuther, as owner of the patent monopoly, thereafter brought suits for infringement against Wilbur-Ellis, as well as Leuschner. The District Court in a well-reasoned opinion found such infringement, and gave judgment for Kuther (and against both defendants, jointly and severally) for $6,000, i.e., $1,500 per machine—that being the royalty he normally received from the sale of machines manufactured under license by him.

The arbitrary refusal of Kuther to rebuild the machines gave Wilbur-Ellis no right to do such rebuilding themselves. It is well settled that it is the exclusive privilege of the owner of a patent monopoly to permit the use of his patent or deliberately keep his invention out of use during the life of the patent, regardless of his motive. *Paper Bag Patent Case*, 210 U.S. 405.

As was first stated in *Wilson v. Simpson*, 9 How. 109, 123 (1850), it is the use of the whole patented combination which a purchaser buys, and repair or replacement of a worn-out, damaged or destroyed part which renders the combination inoperable is but an exercise of the right "to give duration to that which he owns, or has a right to use as a whole," and it is permissible to restore the machine to the original use for which it was bought. This rule was reaffirmed in *Aro Mfg. Co. v. Convertible Top Co.*, 365 U.S. 336 (1961), the Court holding that the patentee's monopoly cannot and does not prevent those to whom the patented machine is sold from reconditioning

articles worn by use unless in fact they make a new article (p. 348). "In order to call the monopoly, conferred by the patent grant, into play for a second time, it must, indeed, be a second creation of the patented entity . . ." (p. 346).

Weighed on the above scales, the work performed by the appellants on the machines was not simply "maintenance of the 'use of the whole' of the patented combination through replacement (and repair) of a spent unpatented element," but was such "a true reconstruction of the entity as to 'in fact make a new article'." *Aro v. Convertible Top, supra*, 346. The record is crystal clear that appellants made no attempt simply to replace worn-out parts in order to make the machines operate as originally manufactured. They deliberately modified and changed the machines in six different particulars in order to make each machine fit Wilbur-Ellis' own specific purposes, viz., the packing of five ounce rather than one pound cans of fish. Granting that appellants had the right to repair and patch each part of the fish canning machines which they bought and paid for to make the machines last as long as possible. (*Cf. Aro, etc.* 357), such right did not entitle them to use that patented combination in making over the machines into fundamentally different machines from those which Wilbur-Ellis purchased, i.e., to "make a new article."

The appellants went beyond the limits of preservation of a machine's fitness as laid out in *Leeds & Catlin Co. v. Victor Talking Machine Co. (No. 2)*, 213 U.S. 325, 336, viz.: "The license granted to a purchaser of a patented combination is to preserve its fitness for use so far as it

may be affected by wear or breakage. Beyond this there is no license."

Appellants insist, however, that theirs was not an unauthorized reconstruction of the machines, but rather that, in the course of exercising their right of repair (without making any changes in the operating procedure of the machine), they did but modify each machine to pack a smaller size can, and that change in size alone does not normally constitute reconstruction. In justification of their position, they rely upon *Hess-Bright Mfg. Co. v. Bearings Co. of Pennsylvania*, 271 Fed. 350, (D.Ct. Pa.1921), and *Tabulating Machine Company v. Durand*, (Sup.Ct. D.C. 1910) 150 Official Gazette. Appellants urge that, as was done in the *Hess-Bright case, supra*, in order to render the plungers operable, it was necessary to grind them down to a smaller diameter, thereby making it impossible for the machines to pack the one pound can, and rendering the machines usable only for handling the small, five ounce cans, and that similarly, the receivers and compressors could be salvaged only by fitting inserts which would minimize their original size. Appellants also insist that since the only change in the patented combination, resulting from their "repairs," pertain solely to size of the can which the machine would ultimately handle, they were authorized to do so under authority of the statement made in *Tabulating Machine, etc., supra:* "I don't understand . . . that invention ever resides in the size of a machine alone."

The *Hess-Bright* and *Tabulating Machine* cases were each single judge decisions, and in each, the line of demarcation between repairs and making over was very thin.

The result in each was reached on the peculiar set of facts presented. Whatever slight virility the dicta in each case, viz., that the identity of the invention is not lost by a change in size, may have had, it has been emasculated by *George Close Co. v. Ideal Wrapping Mach. Co.*, 29 F.2d 533, 535 (C.A.1 1928), *Miller Hatcheries, Inc. v. Buckeye Incubator Co.*, 41 F.2d 619 (C.A.8 1930) and *Cinema Patents Co. Inc. v. Columbia Pictures Corporation*, 62 F.2d 310 (C.A.9 1932). Cf. also *National Cash Register Co. v. Grobet*, 153 F. 905 (C.A.2 1907). The rule (as stated in *Close v. Ideal, supra*, dealing solely with the problem of a change in size of a patented combination) that the sale of a machine embodying the invention, while carrying the right to use the invention, does not give to the purchaser the right to rebuild the purchased machine into other machines embodying the patent invention, is inferentially affirmed by *Aro, etc., supra.*

Here the appellants did not simply repair Kuther's patented machines, they reconstructed, rebuilt and modified each to suit Wilbur-Ellis' desires. In so doing, they embodied therein Kuther's patented combination, thus clearly infringing upon Kuther's patent monopoly.

The judgment of the District Court is affirmed.

MERRILL, Circuit Judge, dissenting

I cannot agree that the fact that these machines as restored wound up operating on five ounce cans instead of one pound cans has, apart from other considerations, resulted in a destruction of their original identity and the creation of new machines. The question to me should be whether the alterations necessary in order to accomplish

this result were of such a character as to amount to reconstruction under recognized tests such as those discussed in Aro Manufacturing Company v. Convertible Top Company, 1961, 365 U.S. 336.

The district court has not found on these matters. Its consideration was limited to the question, as stated in its opinion, "Whether it is infringement for the possessor of a patented combination designed to pack one pound cans only, to so change essential parts that the machine will pack five ounce cans only."

Here it would appear that the replacements did not newly create a patented combination, but that they simply bore on the useful capacity of the old combination on which royalty had already been paid—the very combination which by sale had been released from monopoly.

It is apparrent from the opinion of the district court that it was concerned with the patentee's right to refrain from manufacture of machines to handle other sizes or for other purposes. If the patentee has commercial concern with the sort of use to which the machine (or combination) is to be put, he can and should protect himself by the commercial arrangement by which the patent is released. If released by sale, the combination sold should, in my view, be regarded as released in all its full usefulness until that usefulness is spent.

For these reasons, I would reverse.

(Endorsed) Opinion and Dissenting Opinion Filed January 29, 1963.

Frank H. Schmid, Clerk.

Subject Index

	Page
Preliminary statement	1
Opinions below	2
Jurisdiction	2
Question presented	2
Statement of the case	2
Argument	5
The matters sought to be reviewed here are purely factual	5
There is no public interest in the outcome of this particular case to justify a review thereof by this court	7
The question of converting machines into fundamentally different machines by the substitution of new and different parts for the vital functioning elements of the original machines is of limited importance in the commercial field	8
Conclusion	9

Table of Authorities Cited

	Pages
Aro Manufacturing Co. Inc., et al. v. Convertible Top Replacement Co., Inc., 365 U.S. 336, 81 S. Ct. 599 (1961)	5, 6, 8
Cinema Patents Co., Inc. v. Columbia Pictures Corporation, 62 F.2d 310 (C.A. 9, 1932)	8
George Close Co. v. Ideal Wrapping Mach. Co., 29 F.2d 533 (C.A. 1, 1928)	8
Miller Hatcheries, Inc. v. Buckeye Incubator Co., 41 F.2d 619 (C.A. 8, 1930)	8
United States v. United States Gypsum Co., 333 U.S. 364, 68 S. Ct. 525	6
Wilson v. Howard, 9 How. 109	8

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1962

No. 1024

WILBUR-ELLIS COMPANY, et al.,
Petitioners,

vs.

MAX K. KUTHER,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF FOR RESPONDENT IN OPPOSITION

PRELIMINARY STATEMENT

In this brief we will refer to pages in the brief and petition of petitioner as "P.B. .....", to the appendix to the petition and brief of petitioner as "P.A. .....", and to the record printed for the use of the court below as "R. .....".

OPINIONS BELOW

The opinion of the Court of Appeals for the Ninth Circuit is reported at 314 F.2d 71, and is printed at P.A. ii-ix.

The opinion of the District Court for the Northern District of California, Southern Division, is reported at 200 F. Supp. 841 and is printed at R. 15-26.

JURISDICTION

The jurisdictional requisites are adequately set forth in the petition at P.B. 2.

QUESTION PRESENTED

Petitioners purchased four patented fish-packing machines designed to pack fish into one-pound cans only, and changed the size of all parts necessary to convert the machines so that they would pack fish into five-ounce cans only.

The question presented is whether it is infringement for an owner of a patented machine, designed to accomplish one particular function, to change the identity of that machine by changing the size of all parts necessary to enable the machine to accomplish a new function not obtainable by the original machine.

STATEMENT OF THE CASE

Respondent is the owner of United States Letters Patent No. 2,452,666 for Fish Canning Machine. A num-

ber of machines covered by this patent were manufactured and sold under authorization of respondent. These machines had one function only—namely, to pack fish into one-pound size cans. The machines were not adjustable, and could not operate to pack fish into any other size cans.

Four of these machines were acquired by petitioners. The machines were inoperable when purchased by petitioners, and petitioners repaired them to put them back into operating condition.

In addition, petitioners changed six essential elements of each machine to convert the machines so that they would pack fish into five-ounce size cans. The converted machines had one function only, namely, to pack fish into the smaller cans. After conversion, the new machines could no longer perform the function of the original machines in filling the larger one-pound size cans.

The patent in suit is a combination patent covering the machines as a whole. Most of the essential parts which petitioners changed in order to convert the machines to operate on the smaller cans were specific elements of the patented combination. For example, claim 1 of the patent in suit includes seven elements, of which four were changed in order to convert the machines to their new functions. The remaining three claimed elements of the machines were not changed, since their size was not dependent upon the size can which the machines were to handle.

The District Court found specifically as a fact that the identity of the original machines had been changed, and that the conversion of the machines went beyond the mere repair and restoration thereof:

"19. The conversion of the four machines changed the capacity and effectiveness of the machines by converting the machines to fill five-ounce size cans only, instead of one-pound size cans only.

"20. The conversion of the machines resulted in the creation of not only new but different machines from those originally made by permission of the patentee, which new and different machines embody the novel combination claimed by the patent in suit.

"21. The conversion of the four machines by defendants to fill different size cans is clearly different from the repair or replacement by the possessor of worn out parts to preserve the machines in the condition in which they were originally manufactured and sold by permission of the patentee."

The majority of the Court of Appeals also concluded that the facts of the case showed that petitioners had made a new article:

"Weighed on the above scales, the work performed by the appellants on the machines was not simply 'maintenance of the "use of the whole" of the patented combination through replacement (and repair) of a spent unpatented element,' but was such 'a true reconstruction of the entity as to "in fact make a new article".' *Aro v. Convertible Top*, supra, 346. The record is crystal clear that appellants made no attempt simply to replace worn-out parts in order to make the machines operate as originally manufactured. They deliberately modified and changed the machines in six different particulars in order to make each machine fit Wilbur-Ellis' own specific purposes, viz., the packing of five ounce rather than one pound cans of fish. Granting that appellants had the right to repair and patch each part of the fish canning

machines which they bought and paid for to make the machines last as long as possible, (Cf. *Aro*, etc. 357), such right did not entitle them to use that patented combination in making over the machines into fundamentally different machines from those which Wilbur-Ellis purchased, i.e., to 'make a new article.'"

ARGUMENT

The petition for writ of certiorari should be denied on the grounds that the petition seeks merely a review of the factual determinations of the courts below, which were based upon sufficient evidence, and that this case does not involve a matter of widespread public importance.

THE MATTERS SOUGHT TO BE REVIEWED HERE ARE PURELY FACTUAL.

The law on "repair" and "reconstruction" has been well settled by this Court in *Aro Manufacturing Co. Inc., et al. v. Convertible Top Replacement Co., Inc.*, 365 U. S. 336, 81 S. Ct. 599 (1961). That case held that a patented combination can be restored to its original use by the replacement of any spent, unpatented element of the combination. Such a repair or restoration is permissible and does not constitute infringement. However, if a patented combination is changed by rebuilding it to make the combination into a "new article", then such reconstruction will result in liability for infringement.

Both the majority and minority decisions of the Court of Appeals below recognize these rules and the factual

and legal differences between permissible repair and impermissible reconstruction.

The crux in the instant case is whether the particular acts of petitioners amount to "repair" or "reconstruction"; that is, whether a "new article" has been made. This is a purely factual matter, which has been determined adversely to the petitioners. The District Court found as a fact that: "the conversion of the machines resulted in the creation of not only new but different machines from those orginally made . . ." (R. 31). The Court of Appeals sustained this, saying: "the work performed by [petitioners] on the machines was not simply 'maintenance of the "use of the whole" of the patented combination through replacement (and repair) of a spent unpatented element,' but was such 'a reconstruction of the entity as to "in fact make a new article".' *Aro v. Convertible Top,* supra, 346." (P.A. vi).

In order for petitioners to prevail, this Court would be required to review all of the evidence before the District Court and this Court would be further required to find the facts of this case to be exactly contrary to the facts as found and sustained below. However, it is submitted that this review of factual matters alone is not the proper function of this court unless the findings below are "clearly erroneous". *United States v. United States Gypsum Co.*, 333 U.S. 364, 395, 68 S.Ct. 525, 542. Significantly, petitioners do not allege that the findings below are "clearly erroneous".

THERE IS NO PUBLIC INTEREST IN THE OUTCOME OF THIS PARTICULAR CASE TO JUSTIFY A REVIEW THEREOF BY THIS COURT.

As indicated above, this Court would have to reverse the factual determinations made below and find that the rebuilding activities of petitioners amount to a "repair" rather than a "reconstruction" in order to relieve petitioners from liability for infringement.

However, no public interest would be served by having this Court review this evidence, since a decision here would be limited to the particular facts of the case. All cases involving repair or reconstruction have different and peculiar factual situations which must be considered to determine whether an old combination has been restored to its original function or changed so that a "new article" has been produced. A determination by this Court that the four particular fish-packing machines here involved have, or have not, been changed to make a "new article" would be of no future value unless the exact same set of facts were against presented to a District Court at a later date. However, if some other machine and some other acts of conversion were involved, the decision of this Court here would be of negligible value.

THE QUESTION OF CONVERTING MACHINES INTO FUNDAMENTALLY DIFFERENT MACHINES BY THE SUBSTITUTION OF NEW AND DIFFERENT PARTS FOR THE VITAL FUNCTIONING ELEMENTS OF THE ORIGINAL MACHINES IS OF LIMITED IMPORTANCE IN THE COMMERCIAL FIELD.

The question of the permissibility of *replacing* unpatented parts in a patented combination has been of widespread importance in the commercial field and is undoubtedly why this Court took *Aro v. Convertible Top*, supra, for consideration. On the other hand, the question of the permissibility of *changing* the size or capacity of a patented machine has arisen in the courts only a very few times, and would appear to be of little significance.

The recorded cases show that this latter question has only reached the Circuit Courts four times, in 1928, 1930, 1932 and now, 1963. *George Close Co. v. Ideal Wrapping Mach. Co.*, 29 F.2d 533 (C.A. 1, 1928); *Miller Hatcheries, Inc. v. Buckeye Incubator Co.*, 41 F.2d 619 (C.A. 8, 1930); *Cinema Patents Co., Inc. v. Columbia Pictures Corporation*, 62 F.2d 310 (C.A. 9, 1932). In each instance, the Courts of Appeals for the First, Eighth and Ninth Circuits, after having held that the change of a machine to operate on a product of a different size or a change in a machine to substantially alter its capacity results in a change in identity of the machine, have decided that such changes constitute infringement.

There is no necessity for this Court to undertake to change the uniform results of all of the Courts of Appeals which have previously considered this matter, particularly since these results have been affirmed, at least inferentially, by this Court in *Aro v. Convertible Top.*, at 365 U.S. 342, in discussing *Wilson v. Howard*, 9 How. 109:

". . . replacement of that worn-out essential part is permissible restoration of the machine *to the original use for which it was bought. . . .*"

(Emphasis added.)

CONCLUSION

For the reasons expressed above, the Petition for Writ of Certiorari should be denied.

Dated, San Francisco, California,
April 19, 1963.

Respectfully submitted,

OSCAR A. MELLIN,
CARLISLE M. MOORE,
Attorneys for Respondent.

LIBRARY
SUPREME COURT, U. S.

Office-Supreme Court, U.S.
FILED
AUG 22 1963
JOHN F. DAVIS, CLERK

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1963

No. 109

WILBUR-ELLIS COMPANY, et al.,
Petitioners,

vs.

MAX K. KUTHER,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF FOR PETITIONERS

FRANK A. NEAL,
401 Russ Building,
San Francisco 4, California,
Counsel for Petitioners.

JAMES M. NAYLOR,
KARL A. LIMBACH,
NAYLOR & NEAL,
401 Russ Building,
San Francisco 4, California,
Of Counsel.

PERRAU-WALSH PRINTING CO., SAN FRANCISCO

Subject Index

	Page
Opinions below	1
Jurisdiction	2
The constitutional and statutory provisions involved	5
Questions presented	6
Statement of the case	9
Summary of argument	13
Argument	14
I. The courts below followed false standards in their determinations as to whether the petitioners merely repaired the machines or reconstructed them	14
II. The holdings of infringement by the courts below are contrary to the patent laws and to that part of the Constitution which they subserve, and they are against the public interest and amount to an encroachment on the public domain	17
III. The holdings of the courts below are not only contrary to the patent laws but contrary to the policies of the general law	22
Conclusion	27

Table of Authorities Cited

Cases	Pages
Adams v. Burke, 17 Wall. (84 U.S.) 453 (1873)	23
Aro Manufacturing Co., Inc. et al. v. Convertible Top Replacement Co., Inc., 365 U.S. 336 (1961)	2, 3, 6, 7, 8, 15, 16, 19, 20, 25
B. B. Chemical Co. v. Ellis, 314 U.S. 495 (1942)	3
Carbice Corp. v. American Patent Corp., 283 U.S. 27 (1931)	3

Pages

Chaffee v. Boston Belting Co., 22 How. (63 U.S.) 217 (1859) 22, 24, 25

Cinema Patents Co., Inc. v. Columbia Pictures Corp., 62 F.2d 310 (CCA 9, 1932) 20

Davis Electrical Works v. Edison Electric Light Co., 60 Fed. 276 (CCA 1, 1894) 24

George Close Co. v. Ideal Wrapping Mach. Co., 29 F.2d 533 (CCA 1, 1928) 20

Leitch Mfg. Co. v. Barber Co., 302 U.S. 458 (1938) 3

Mercoid Corp. v. Mid-Continent Investment Co., 320 U.S. 661 (1944) 3, 18, 20

Mercoid Corp. v. Minneapolis-Honeywell Regulator Co., 320 U.S. 680 (1944) 3, 20

Miller Hatcheries, Inc. v. Buckeye Incubator Co., 41 F.2d 619 (CCA 8, 1930) 20

Morton Salt Co. v. G. S. Suppiger Co., 314 U.S. 488 (1942) 3

Motion Picture Patents Co. v. Universal Film Mfg. Co. et al. 243 U.S. 502 (1917) 25

Constitutions

United States Constitution:
Article I, Section 8 ..... 3, 5, 17, 22

Statutes

28 United States Code:
Section 1254(1), 62 Stat. 928 (1948) 2
Section 1338(a), 62 Stat. 931 12
Section 2101(c), 63 Stat. 104 (1949) 2

35 United States Code:
Section 112, 66 Stat. 798 (1952) 5, 17, 18
Section 271, 66 Stat. 811 (1952) 5, 17, 18
Section 271(a) 3, 12, 22
Section 281, 66 Stat. 812 12
Section 282, 66 Stat. 812 (1952) 5

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1963

No. 109

WILBUR-ELLIS COMPANY, et al.,
Petitioners,

vs.

MAX K. KUTHER,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF FOR PETITIONERS

OPINIONS BELOW

The majority and minority opinions of the Court of Appeals for the Ninth Circuit (R.59-64) are published in 314 F.2d 71 and 136 USPQ 332. The opinion of the District Court for the Northern District of California (R.15-26) appears in 200 F.Supp. 841 and 131 USPQ 463.

JURISDICTION

The judgment of the Court of Appeals for the Ninth Circuit was entered on January 29, 1963 (R.65). A petition for a writ of certiorari was filed April 17, 1963, said petition having been filed within ninety days after the entry of the judgment of the Court of Appeals for the Ninth Circuit, as required by the United States Code, Title 28, Section 2101(c), 63 Stat. 104 (1949). Certiorari was granted on May 20, 1963 (R.66).

The jurisdiction of this Court rests upon the United States Code, Title 28, Section 1254(1), 62 Stat. 928 (1948).

The jurisdiction of this Court is invoked upon the ground that the United States Court of Appeals for the Ninth Circuit has decided an important question of federal law in a manner which defeats the policy of this Court of facilitating resistance to patent abuse and of striking down attempts to extend patent monopolies by way of attempts to obtain more than one royalty per patented item, and in deciding this important question of federal law the majority opinion of the Court of Appeals has misinterpreted and misapplied this Court's recent decision in *Aro Manufacturing Co., Inc. et al. v. Convertible Top Replacement Co., Inc.*, 365 U.S. 336 (1961).

A further ground on which the jurisdiction of this Court is invoked is that the Court of Appeals for the Ninth Circuit has failed in its duty to follow announced and reiterated policies or rules of decision of this Court, thereby calling for review and correction of the judgment of said Court of Appeals.

A further ground on which the jurisdiction of this Court is invoked is that the force and effect of the judgment of the Court of Appeals for the Ninth Circuit in this case is the conferring of a patent monopoly, contrary to the appropriate construction of 35 U.S.C. Section 271(a), which is totally in discord with the purposes and principles of Article I, Section 8, of the Constitution. The judgment of the Court of Appeals for the Ninth Circuit whereby such patent monopoly was conferred thus amounts to an unconstitutional construction of 35 U.S.C. Section 271(a).

This Court, in a consistent sequence of decisions concerning the scope of a monopoly accorded by the grant of letters patent, comprising this Court's decision in such cases as *Carbice Corp. v. American Patent Corp.*, 283 U.S. 27 (1931); *Leitch Mfg. Co. v. Barber Co.*, 302 U.S. 458 (1938); *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488 (1942); *B. B. Chemical Co. v. Ellis*, 314 U.S. 495 (1942); *Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U.S. 661 (1944); *Mercoid Corp. v. Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680 (1944); and *Aro Manufacturing Co., Inc. et al. v. Convertible Top Replacement Co., Inc.*, supra, has clearly indicated that a patent may not be employed as a lever whereby a scope of monopoly larger than and inappropriate with the monopoly accorded by the grant of the patent may be obtained. In such decisions as those handed down in these cited cases, this Court has clearly stated that the properly granted patent monopoly may not be employed to secure a further monopoly in either the supplies consumed in the operation of a

patented machine invention, or unpatented materials employed in a patented process invention, or in less than the entire patented entity for which the patent was granted. The judgment of the Court of Appeals for the Ninth Circuit amounts to a judicial conferment of patent monopoly over the unpatented fraction of the entity covered by the patent monopoly granted, and this constitutes a further ground on which the jurisdiction of this Court is invoked.

Still a further ground on which the jurisdiction of this Court is invoked is that the judgment of the court below is contrary to all constitutional or statutory authority for the reason that the effect of it has been to accord patent monopoly to that which does not amount to the discovery, or the contribution to the public in the sense of contributing to the advancement of the progress of science and the useful arts, of the respondent-inventor.

And finally, the making and selling of component parts for repair or replacement purposes with reference to machines and other entities consisting of combinations of elements amount to matters of considerable importance in the competitive economy of this country. To becloud the propriety of such making and selling of component parts for such purposes, and the necessary effect of the judgment of the Court of Appeals for the Ninth Circuit will be such, amounts to a restraint upon healthful competition for the reason that people engaged in such business enterprises will be hampered in their enterprise activities by the vagaries concerning the scope and extent of patent monopolies. This is a further ground on which the jurisdiction of this Court is invoked. It is hoped that by way

of the vehicle presented by the subject case, the aforementioned vagaries may be minimized to the advantage of the competitive economy of this country.

THE CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Article I, Section 8, of the United States Constitution provides:

> "The Congress shall have power * * * to promote the progress of science and the useful arts by securing for limited times to authors and inventors, the exclusive right to their respective writings and discoveries."

35 U.S.C. Section 112, 66 Stat. 798 (1952), insofar as it is pertinent, provides:

> "The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention."

35 U.S.C. Section 271, 66 Stat. 811 (1952), insofar as it is pertinent, provides:

> "(a) Except as otherwise provided in this Title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent."

35 U.S.C. Section 282, 66 Stat. 812 (1952), insofar as it is pertinent, provides:

> "The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liability for infringement, or unenforceability,".

QUESTIONS PRESENTED

1. Whether the Court of Appeals could confer patent monopoly over some unpatented replacement parts, which together constituted substantially less than the overall combination of parts making up the patented entity, in view of the following statement by the Court in *Aro Manufacturing Co., et al. v. Convertible Top Replacement Co., Inc.*, supra, 365 U.S. at 345:

> "No element, not itself separately patented, that constitutes one of the elements of a combination patent is entitled to patent monopoly, however essential it may be to the patented combination and no matter how costly or difficult replacement may be."

2. Whether the conferring by the Court of Appeals of patent monopoly over some unpatented replacement parts is authorized by Article I, Section 8 of the Constitution when said unpatented replacement parts do not amount, either singly or all together, to the discovery of an inventor.

3. Whether a patented entity, once released from the patent, ceases to exist and becomes a new entity which can infringe the patent when it is modified solely in characteristics which are not recited in the claims of the patent.

4. Whether this Court in *Aro*, supra, inferentially affirmed, as contended by the majority opinion of the Court of Appeals below (R.61-62), that the replacement of sub-

stantially less than all of the separately unpatented parts of a patented combination, or entity, by one rightfully in possession of the entity amounts to infringement of the patent covering the entity when the parts so replaced differ in size from the original parts.

5. Whether, on the one hand, it constitutes patent infringement to replace substantially less than the entirety of the separately unpatented parts of a patented combination where the replacement parts are different in size from the original parts, while, on the other hand, and as admitted in the majority opinion of the Court of Appeals (R.62) in affirming a like admission by the District Court (R.24; Finding of Fact No. 16 at R.30), it would not have constituted patent infringement if the replacement parts were similar in size to the original parts.

6. Whether a substantive distinction between permissible repair and impermissible repair, or reconstruction, turns upon whether or not the patented entity is restored to its original condition. This question is raised because the courts below in the subject case attached a controlling significance to the fact that the petitioners did not restore the machines to their original condition (e.g., R.19, second full paragraph), while it appears from the opinion of the Court in *Aro* taken together with the record and briefs in *Aro* that this Court attached no significance to whether or not the patented entity had been restored to its original condition, e.g.:

> "Q. I believe we can get into this question of installation later on, but to revert for the moment to something you did say, you said that no trim man would take the time or the trouble to install one of

your tops the same way that it had been installed in the factory?

A. Another correction. He could not install it like the factory because we don't make it the same way." (*Aro*, R. Vol. III, page 630)

"To term Aro's operation 'replacement' is a misnomer. Aro's 'replacement' tops, although having the unique Mackie-Duluk shape, otherwise always differed in style, construction, and mode of installation from original tops. Moreover, in 'replacing' an original top with an Aro top of the new Mackie-Duluk shape, Aro sometimes added structural elements not present originally; and in other cases, removed perfectly good structural elements from the car. As a result, Aro's replacement operations, far from restoring the car to its original condition, actually resulted in formation of a 'new article' so distinct that it could be distinguished from original and other replacement tops 'two streets away'." (Aro, Respondent's Brief, page 6, Section IIa)

"The record further shows that Aro's seven specially designed fabrics, although embodying the heart of the invention, i.e., the unique Mackie-Duluk shape, did not otherwise correspond to the original fabrics on cars for which they were designed; and the seven Aro fabrics here involved differed in style, construction and method of installation from the original fabrics (R.624, 626, 628-33, 640-1) to such an extent that when installed, they could be distinguished from original and other replacement tops 'two streets away' (R.631). One purchasing one of these seven fabrics for installation on his car, thus ended up with a structure which was always *different* from his original structure, namely Aro's *own distinctive version* of Mackie-Duluk." (Aro, Respondent's Brief, page 29)

STATEMENT OF THE CASE

Respondent, Kuther (plaintiff-appellee below), is the owner of United States Letters Patent No. 2,452,666 for a combination of elements forming a Fish Canning Machine (District Court Findings of Fact Nos. 4 and 5, R.26-27; R.59). Letters Patent No. 2,452,666 (Pl. Exhibit 1), the patent in suit, is reproduced at R.39-44. Respondent and his co-inventor, James Leonard Smith, are the co-patentees with respect to said patent (Pl. Ex. 1; R.39), but since 1956 the respondent has been the sole owner of said patent (Finding of Fact No. 4, R.26-27).

A number of machines covered by this patent were manufactured and sold under authorization of the respondent (Finding of Fact No. 6, R.27; Finding of Fact No. 12, R.29). Among these machines were the four machines in suit, each of them having been purchased by the petitioner, Wilbur-Ellis Company (Finding of Fact No. 13, R.29; Finding of Fact No. 17, R.30). Each of the four machines sold for between $8,000.00 to $10,000.00 when new, and respondent had been paid a royalty of $1,500.00 per machine (R.59).

As originally constructed these four machines operated to pack fish into cans which were 3 inches in diameter and four and 11/16 inches high (R.59.) Cans of this size are known in the trade as "1-pound" cans (R.59).

Three of the four machines had been exposed to the weather, thus causing them to be corroded, or rusted, and inoperative in the condition in which they were acquired by Wilbur-Ellis Company (Finding of Fact No. 13, R.29). The fourth machine was also inoperative in the

condition in which it was acquired by Wilbur-Ellis Company, requiring cleaning and sandblasting to remove the corrosion from the machine and thereby render it operable (R.60; Pl. Ex. 10, R.46).

Petitioner, Wilbur-Ellis Company, hired petitioner, Alfred Leuschner, to put the machines in condition so they would operate (Finding of Fact No. 14, R.29) and also to re-size six (Findings of Fact No. 17 and 18, R.30-31) of the thirty-five elements, which thirty-five elements, said the Court of Appeals (R.61), when combined together made up the patented combination, or entity. The re-sizing of these six elements was for the purpose of enabling the four machines to operate to pack fish into smaller cans which are known as "5-ounce" cans, i.e., cans 2⅛ inches in diameter and 3½ inches long (R.60).

Employing the reference numerals which are used in the patent in suit (Pl. Ex. 1, R.39-44) to designate the various elements of the patented machine, what was done to modify or change the six out of thirty-five elements constituting the patented machine was as follows (R.45-49):

1. The plungers 28 were machined down from 3 inch to 2⅛ inch diameter;

2. The fish receivers 15 were provided with inserts to thereby reduce their diameters and render them compatible with the new and smaller diameters of the plungers;

3. The compression members 19 were likewise provided with inserts, thereby reducing their diameters and rendering them compatible with the new and smaller diameters of the plungers;

4. The back-up rail 34 for the cans was moved in closer toward the center of rotation of the rotating table system to compensate for the shorter length of the 5-ounce can, as compared with the 1-pound size can;

5. A new can track 27 was installed in place of the rusted old track, and the new track was provided with smaller indentations 27′ into which the 5-ounce size cans would fit;

6. And the can chute 26 was narrowed to properly accommodate the diameter of the smaller 5-ounce cans.

The original plungers were so corroded that they could be rendered operable only by grinding them down to a size suitable for use with the smaller 5-ounce cans (Findings of Fact No. 14, R.29-30). The remaining five of the six modified elements out of the total of thirty-five elements making up the patented machine were changed in either size or location to also suit them for the handling of the 5-ounce size cans (R. 61).

Both the District Court and the Court of Appeals, the latter by a two to one decision, held that if the work done by Leuschner to put the four machines into operating condition had not involved a modification of the six elements as to size or location, there would have been no infringement by way of reconstruction (Findings of Fact No. 16, R.30; R.62). But, said both of the courts below, infringement by way of reconstruction resulted when the six original elements were modified as to either size or location (Findings of Fact No. 21, R.31; R.62). Both of

the courts below agreed that if the six modified elements had instead been replaced with new elements corresponding in size and location to their original counterparts, there would have been no infringement, but only permissible repair (R.24; R.62).

The majority and dissenting opinions of the Court of Appeals each rely on the opinion of this Court in *Aro*, supra.

The Court of Appeals did not mention the constitutional problem. The attention of the Court of Appeals was not directed by the petitioners to this constitutional question, i.e., as to whether or not it amounted to an unconstitutional construction by the Court of Appeals of 35 U.S.C. § 271(a) by the conferring by the Court of Appeals of patent monopoly over the separately unpatented, both singly and collectively, six canning machine parts which were modified either as to size or as to location by petitioners.

The basis for federal jurisdiction in the court of first instance was afforded by the patent laws of the United States (35 U.S.C. § 281, 66 Stat. 812) and the jurisdictional provisions [28 U.S.C. § 1338(a), 62 Stat. 931] appertaining to civil actions for patent litigation.

SUMMARY OF ARGUMENT

Our argument for reversal and a remand of the cause with instructions to dismiss the complaint is, in summary, as follows:

Where, as here, a patented entity has not ceased to exist and is therefore admittedly restorable to its original operating condition without there being a reconstruction, or impermissible repair, the restoration of the entity to an operating condition wherein some of the parts, which both singly and collectively are unpatented, differ in size or location from the original parts does not amount to infringement.

Where the rightful owner of a patented entity changes a characteristic (e.g., size of can filled) of the entity, where that characteristic is not recited in any of the claims of the patent, the act of changing that characteristic cannot itself constitute a recreation of the entity into a new and different entity which infringes the patent.

To classify, as here, such a restoration of a patented entity to an operating condition as an infringement by way of reconstruction is to do violence to the constitutional purpose of securing to inventors the exclusive right to their discoveries, and such a classification is contrary to the patent laws which merely subserve this constitutional purpose.

Where the patented entity is, as here, a combination of elements, the classification of such a restoration as an infringement by way of reconstruction is to confer patent monopoly upon that which is not the discovery of the inventor. Such amounts to a reaping by the inventor

where he has not sown and such reaping is at the expense of the public interest against unrightful monopoly and is an encroachment on the public domain. A judicial conferring of such patent monopoly is premised either upon the misconception that there is a legally recognizable "essence", "gist", or "heart" of the invention in a combination patent or that a substantial change in the identity of such an invention is equivalent to the recreation of the patented entity.

Where, as here, there has been an unconditional sale of a patented entity, the entity has been irrevocably released from control of the patent and acquires the very same status as any other species of personal property in the hands of its owner. A judicial enablement of recapture of the entity under the patent bespeaks a judicial misconception that the rights in personal property released from a patent monopoly are limited in nature in comparison with rights in personal property which did not come into existence under a patent monopoly.

ARGUMENT

I. THE COURTS BELOW FOLLOWED FALSE STANDARDS IN THEIR DETERMINATIONS AS TO WHETHER THE PETITIONERS MERELY REPAIRED THE MACHINES OR RECONSTRUCTED THEM.

Both the District Court and the Court of Appeals held that the four machines would have been merely repaired, and not reconstructed, if they had been merely cleaned up and if their worn parts had been replaced with new parts which corresponded in size and location to the

original parts. Both of the courts below thereby clearly indicated that the four machines constituting the patented entity had not ceased to exist from the standpoint of lacking a remaining usefulness. In short, the four machines were not spent.

In restoring the four machines to a condition of usefulness, the petitioners resized or relocated six out of the thirty-five elements making up the patented entity. No one of these six elements or any combination of the six is patented, and together these six elements constitute substantially less than the patented entity defined by any one of the five claims (Pl.Ex.1, R.44) of the patent in suit.

In *Aro*, supra, this Court in its opinion stated:

> "While there is language in some lower court opinions indicating that 'repair' or 'reconstruction' depends upon a number of factors, it is significant that each of the three cases of this Court, cited for that proposition, holds that a license to use a patented combination includes the right 'to preserve its fitness for use so far as it may be affected by wear or breakage.' Leeds & Catlin Co. v. Victor Talking Machine Co., 213 U.S. 325, 336; Heyer v. Duplicator Manufacturing Co., supra, 263 U.S. at page 103; and Wilson v. Simpson, supra, 9 How. at page 123. We hold that maintenance of the 'use of the whole' of the patented combination through replacement of a spent, unpatented element does not constitute reconstruction." (365 U.S. at pages 345-6)

The Court in its opinion then announced the rule of decision of *Aro*, as follows:

> "The decisions of this Court require the conclusion that reconstruction of a patented entity, comprised of

unpatented elements, is limited to such a true reconstruction of the entity as to 'in fact make a new article,' United States v. Aluminum Co. of America, supra, 148 F.2d at page 425, after the entity, viewed as a whole, has become spent. In order to call the monopoly, conferred by the patent grant, into play for a second time, it must, indeed, be a second creation of the patented entity, as, for example, in American Cotton Tie Co. v. Simmons, supra. Mere replacement of individual unpatented parts, one at a time, whether of the same part repeatedly or different parts successively, is no more than the lawful right of the owner to repair his property. Measured by this test, the replacement of the fabric involved in this case must be characterized as permissible 'repair,' not 'reconstruction.' " (365 U.S. at page 346)

In view of this rule laid down by this Court, it is not proper for a federal court of lower level to conclude that there has been an infringement of a patented entity where the patented entity has been restored to a condition of usefulness wherein some of the unpatented parts have been modified from such standpoints as size, location, shape or construction, particularly when the issue before this Court in *Aro*, involved such relative matters as change of shape and change of construction.

The characteristics of size, location, shape and construction which petitioners changed in these machines were not recited in the claims of respondent's patent. Neither did the claims recite the size of can which would be filled by the machines. Thus, petitioners did not change any characteristic of the machines which the patent claims stated to be a definitive characteristic of the invention, and

hence petitioners' changes did not alter the identities of the machines as embodiments of the invention.

II. THE HOLDINGS OF INFRINGEMENT BY THE COURTS BELOW ARE CONTRARY TO THE PATENT LAWS AND TO THAT PART OF THE CONSTITUTION WHICH THEY SUBSERVE, AND THEY ARE AGAINST THE PUBLIC INTEREST AND AMOUNT TO AN ENCROACHMENT ON THE PUBLIC DOMAIN.

Article I, Section 8 of the United States Constitution provides:

> "The Congress shall have power—To Promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors, the exclusive Right to their respective Writings and Discoveries."

It is under this constitutional provision that Sections 112 and 271 of Title 35, United States Code, have been enacted. That portion, supra, of Section 112 which is pertinent here, requires that the applicant for a patent particularly point out and distinctly claim the subject matter which he regards as his invention. That portion of Section 271, supra, which is pertinent here provides that he infringes a patent who without authority makes, uses or sells the patented invention in this country during the term of the patent.

The essential question presented is whether the petitioners have made the combination of elements constituting the patented entity defined by any one of the claims of the patent in suit. It is only with respect to the overall entity defined by the claims directed to a com-

bination of elements that there can be an exclusive right secured to the respondent to his discovery or invention under the above-quoted constitutional provision and the subservient provisions of Sections 112 and 271 of the patent laws referred to above. The holdings of the courts below of infringement by way of reconstruction are in opposition to the constitutional purpose for securing to inventors the exclusive right to their discoveries. The discovery or the invention of the respondent did not reside in the six elements of the thirty-five elements of the patented entity which were replaced, and much less did the respondent's discovery or invention reside in size or location characteristics of these six elements, or size of the commodity on which the machine operated. By conferring patent monopoly upon these six elements, the courts below have, in effect, unconstitutionally construed Sections 112 and 271, thereby achieving the opposite of the promotion of the progress of science and useful arts.

As this Court observed in *Mercoid Corp. v. Mid-Continent Investment Co.*, supra, 320 U.S. at 666:

> "The patent is a privilege. But it is a privilege which is conditioned by a public purpose. It results from invention and is limited to the invention which it defines."

It follows that when, as here, the effect of a court's holding is to accord to a patentee a privilege which is not conditioned by the public purpose of promoting the progress of science and useful arts because the privilege is not limited to the invention which the patent defines, the result is at the expense of the public interest against

unrightful monopoly and is an encroachment on the public domain.

A judicial conferring, such as that by the Court of Appeals here, of patent over-monopoly is premised either upon the misconception that there is a legally recognizable "gist" or "heart" of the invention in a combination patent or that a substantial change in the identity of such an invention, from such standpoints as changes in size, location or shape of the unpatented components of the invention, or articles acted upon by the invention, is equivalent to the recreation of the patented entity. Neither of these misconceptions should be permitted to have a basis for continued existence in view of *Aro*, supra, ie.:

> "The basic fallacy in respondent's position is that it requires the ascribing to one element of the patented combination the status of patented invention in itself. Yet this court has made it clear in the two Mercoid cases that there is no legally recognizable or protected 'essential' element, 'gist' or 'heart' of the invention in a combination patent." (365 U.S. at pages 344-5)
>
> "The decisions of this Court require the conclusion that reconstruction of a patented entity, comprised of unpatented elements, is limited to such a true reconstruction of the entity as to 'in fact make a new article,' United States v. Aluminum Co. of America, supra, 158 F.2d at page 425, after the entity, viewed as a whole, has become spent." (365 U.S. at page 346)

The basis of the majority opinion of the Court of Appeals is compounded with both of these misconceptions, and as a result of this it has equated the making of a

patented combination entity with the lack of precise identity between original parts and substituted parts with reference to substantially less than all of the parts making up the patented entity.

In doing so, the majority opinion of the Court of Appeals relies (R.63) upon such cases as *George Close Co. v. Ideal Wrapping Mach. Co.*, 29 F.2d 533 (CCA 1, 1928); *Miller Hatcheries, Inc. v. Buckeye Incubator Co.*, 41 F.2d 619 (CCA 8, 1930); and *Cinema Patents Co., Inc. v. Columbia Pictures Corp.*, 62 F.2d 310 (CCA 9, 1932). Insofar as these cases can be considered to be in point with respect to the facts of the subject case, they are in conflict with the constitutional standards as to the metes and bounds of patent monopolies set forth by this Court in the two *Mercoid* cases and in *Aro*, supra.

The respondent's effort, thus far judicially sanctioned by the courts below, to expand the scope of his patent monopoly to embrace the six unpatented elements of a substantially greater number of elements making up the patented combination of elements furthermore flies in the face, at least in principle, of what this Court had to say in *Mercoid Corp. v. Mid-Continent Investment Co.*, supra:

> "Mr. Justice Brandeis, speaking for the Court, stated in the Carbice case that 'control over the supply of such unpatented material is beyond the scope of the patentee's monopoly; and this limitation, inherent in the patent grant, is not dependent upon the peculiar function or character of the unpatented material or on the way in which it is used.' 283 U.S. p. 33. We now add that it makes no difference that the unpatented device is part of the patented whole." (320 U.S. at page 667)

"Ever since Henry v. A. B. Dick Co., 224 U.S. 1, was overruled by Motion Picture Co. v. Universal Film Co., 243 U.S. 502, this court has consistently held that the owner of a patent may not employ it to secure a limited monopoly of an unpatented material used in applying the invention. Carbice Corp. v. American Patents Corp., supra; Leitch Mfg. Co. v. Barber Co., supra; Morton Salt Co. v. G. S. Suppiger Co., 314 U.S. 488; B. B. Chemical Co. v. Ellis, 314 U.S. 495. In those cases both direct and contributory infringement suits were disallowed on a showing that the owner of the patent was using it 'as the effective means of restraining competition with its sale of an unpatented article.' Morton Salt Co. v. G. S. Suppiger Co., supra, p. 490. The Court has repeatedly held that to allow such suits would be to extend the aid of a court of equity in expanding the patent beyond the legitimate scope of its monopoly. It is true that those cases involve the use of the patent for a machine or process to secure a partial monopoly in supplies consumed in its operation or unpatented materials employed in it. But we can see no difference in principle where the unpatented material or device is itself an integral part of the structure embodying the patent." (320 U.S. at pages 664-5)

Although the question of patent misuse has not been included among the questions presented to this Court by way of the petition for certiorari, each of the petitioners set forth the affirmative defense of patent misuse in the answers to the complaints (R.8; R.14).

III. THE HOLDINGS OF THE COURTS BELOW ARE NOT ONLY CONTRARY TO THE PATENT LAWS BUT CONTRARY TO THE POLICIES OF THE GENERAL LAW.

It is not inappropriate to consider that a patent monopoly is three-dimensional in the sense that it is delimited as to time, place and scope. Article I, Section 8 of the Constitution authorizes the grant of such a monopoly for only a limited time. As to place, the patent monopoly is limited to the United States (35 U.S.C. § 271(a), supra). As to scope, the patent monopoly is limited to the actual discovery or invention made by the inventor (U.S. Constitution, Article I, Section 8, supra).

When a patented entity has been fully released from the patent monopoly, as by an unconditional sale by one who had authority to make such a sale, as here, the entity has been irrevocably released from the monopoly from each of these three standpoints of time, place and scope. There can be no justification for distinguishing between the absoluteness of release from the patent monopoly as between these three factors. While the lower federal courts have made such attempts, this Court has not.

In the early case of *Chaffee v. Boston Belting Co.*, 22 How. (63 U.S.) 217 (1859), this Court reiterated the rule, which it had set forth in earlier cases, that an extension or renewal of the term of a patent which was permitted under the Patent Act of 1836 did not entitle the owner of the renewed patent to recapture within the renewed patent monopoly a patented entity which had been released from the patent monopoly of the initial patent, stating:

"When the patented machine rightfully passes to the hands of the purchaser from the patentee, or from any other person by him authorized to convey it, the machine is no longer within the limits of the monopoly. According to the decision of this court in the cases before mentioned, it then passes outside of the monopoly, and is no longer under the peculiar protection granted to patent rights. By a valid sale and purchase, the patented machine becomes the private individual property of the purchaser, and is no longer protected by the laws of the United States, but by the laws of the State in which it is situated. Hence it is obvious, that if a person legally acquires a title to that which is the subject of letters patent, he may continue to use it until it is worn out, or he may repair it or improve upon it, as he pleases, in the same manner as if dealing with property of any other kind." (63 U.S. at page 223)

In *Adams v. Burke*, 17 Wall. (84 U.S.) 453 (1873), this Court was faced with the question as to whether a patented entity which had been released from the patent monopoly could be recaptured within the monopoly with reference to the factor of place or locale for use. The patent owner had extended a territorial grant limited to the circle of ten miles around Boston to the vendor of the patented entity in question, the vendor having the right to make, sell and use the entity only within the prescribed territory. The vendee of the patented entity made use of it outside of the prescribed territory. In holding that the sale of the patented entity released it from the patent monopoly for use anywhere in the country, the Court also stated:

"We have repeatedly held that where a person has purchased a patented machine of the patentee or his assignee, this purchase carried with it the right to the use of that machine so long as it was capable of use, and that the expiration and renewal of the patent, whether in favor of the original patentee or of his assignee, did not affect this right. The true ground on which these decisions rest is that the sale by a person who has the full right to make, sell and use such a machine carries with it the right to the use of that machine to the full extent to which it can be used in point of time."

In *Davis Electrical Works v. Edison Electric Light Co.*, 60 Fed. 276 (CCA 1, 1894), the court had the following to say with respect to the above-quoted excerpt from *Chaffee* (at pages 278-279):

"This, and other expressions of like character in the decisions of the supreme court as in Adams v. Burke, 17 Wall. 453, and Hobbie v. Jennison, 149 U.S. 355, 13 Sup.Ct. 879, are, however, of a general nature and were made with reference to the interests of the purchaser of a patented device as against an extension of the patent, or with reference to territorial rights. Out of this rule, however, flows the right of repair, on which the appellants rely; yet in no case has the supreme court held that this right is absolute and universal, or that it may not be limited by express or implied restrictions entering into the transaction of the sale of the patented machine or device. Expressions the other way may be found in Wilson v. Simpson, 9 How. 109, 125; Adams v. Burke, 17 Wall. 453, 457; and Hobbie v. Jennison, 149 U.S. 355, 363, 364, 13 Sup.Ct. 879."

However, in *Aro*, supra, this Court has clearly indicated its view that the right to repair is essentially absolute by holding that there can be no infringement by reconstruction unless there is a recreation of the patented entity. Thus, *Aro* proscribes attempts to enhance a patent monopoly from the reference point of scope, or the actual discovery or invention of the patent owner, just as *Adams* proscribes an attempt to expand the patent monopoly with reference to place and territory and just as such a case as *Chaffee* proscribes attempts to expand the patent monopoly with respect to the factor of time.

The holdings of the courts below are inherently based on the misconception that the rights in personal property released from a patent monopoly are limited in nature in comparison with rights in personal property which did not come into existence under the patent monopoly. This is clearly indicated by the significance attached by the courts below to the fact that some of the elements of the patented entity were changed with respect to size or location and to the fact that the District Court was concerned with the patentee's rights to refrain from manufacture of machines to handle other sizes or for other purposes (R.18-19).

That such significance should not have been attached to these factors was indicated many years ago by this Court in *Motion Picture Patents Co. v. Universal Film Mfg. Co. et al.*, 243 U.S. 502, 514 (1917):

> "This decision proceeds upon the argument that, since the patentee may withhold his patent altogether from public use, he must logically and necessarily be permitted to impose any conditions which he chooses

upon any use which he may allow of it. The defect in this thinking springs from the substituting of inference and argument for the language of the statute and from failure to distinguish between the rights which are given to the inventor by the patent law and which he may assert against all the world through an infringement proceeding and rights which he may create for himself by private contract, which, however, are subject to the rules of general as distinguished from those of the patent law. While it is true that under the statutes as they were (and now are) a patentee might withhold his patented machine from public use, yet if he consented to use it himself or through others, such use immediately fell within the terms of the statute and as we have seen he is thereby restricted to the use of the invention as it is described in the claims of his patent and not as it may be expanded by limitations as to materials and supplies necessary to the operation of it imposed by mere notice to the public."

Since the invention of respondent's patent is not described in the claims of the patent with reference to any particular can sizes, and since the machines in question had been fully released from the patent monopoly, the respondent having obtained a substantial consideration for such release, the sole appropriate question presented to the courts below was whether the machines had lost all of their usefulness. If the courts below had so held, it would have then followed that the activities of the petitioners amounted to a recreation of the patented entity. Having held that the machines were still useful, the courts below should have further held that the petitioner, Wilbur-Ellis Company, was free to employ their full usefulness.

including modifying the machines to handle cans of different size if their remaining usefulness lay in that direction, just as with any other species of personal property.

CONCLUSION

Respondent has attempted, successfully thus far, to extract a second consideration, or royalty, from the machines of the petitioners. Such an attempt is contrary to the purpose of the constitutional provision relating to the rewarding of inventors and is therefore against the public interest by way of amounting to an encroachment upon the public domain.

Wherefore, petitioners request that this Court reverse the courts below, and remand this action to the District Court with directions that the respondent's complaint be dismissed.

Respectfully submitted,

FRANK A. NEAL,

Counsel for Petitioners.

JAMES M. NAYLOR,
KARL A. LIMBACH,
NAYLOR & NEAL,
Of Counsel.

San Francisco, California
August 19, 1963

Office-Supreme Court, U.S.
FILED
OCT 15 1963
JOHN F. DAVIS, CLERK

In the Supreme Court

OF THE

United States

OCTOBER TERM, 1963

No. 109

WILBUR-ELLIS COMPANY, et al.,
Petitioners,

vs.

MAX K. KUTTLER,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Ninth District

RESPONDENT'S BRIEF

OSCAR A. MELLIN
CARLISLE M. MOORE
111 Sutter Street
San Francisco 4, California
Counsel for Respondent

Subject Index

	Page
Questions presented	1
Statement of case	2
Summary of argument	6
Argument	8
The sale of a patented machine gives only limited, not general, rights to practice the invention	9
The Aro case has settled the question of the right of the owner of a patented combination to repair the combination	11
The Aro case does not permit the owner of a patented combination to reconstruct the combination so as to make a "new article"	12
The courts below properly found that the converted machines were new articles	13
The fact that the claims in the patent in suit are not limited to specific size machines is unimportant to the question of whether a new article has been created	19
An affirmance of the decision below will not conflict with but rather will complement the rule of the Aro case	20
Respondent is not trying to collect two royalties for the sale of a single machine	23
Conclusion	25

Table of Authorjties Cited

Cases

American Cotton-Tie Co. v. Simmons, 106 U.S. 89 . . 8, 15, 16, 17, 21

Aro Manufacturing Co. v. Convertible Top Replacement Co., Inc., 365 U.S. 345 (1961) 7, 8, 11, 12, 13, 16, 17, 19, 20, 22

Chaffee v. Boston Belting Co., 22 How. (63 U.S.) 217 (1859) 11

Cinema Patents Co., Inc. v. Columbia Pictures Corp., 62 F. 2d 310 (C.C.A. 9, 1932) 18, 19

Continental Paper Bag Co. v. Eastern Paper Bag Co., 210 U.S. 405 9

General Talking Pictures Corp. v. Western Electric Co., 305 U.S. 124 (1938) 10

George Close Co. v. Ideal Wrapping Mach. Co., 29 F.2d 533 (C.C.A. 1, 1938) 17, 18, 19

Ideal Wrapping Mach. Co. v. George Close Co., 23 F.2d 848 (D.C. Mass., 1928) 17

Mercoid Corp. v. Mid-Continental Investment Co., 320 U.S. 661 (1944) 19

Mercoid Corp. v. Minneapolis-Honeywell Regulator Co., 320 U.S. 680 (1944) 19

Miller Hatcheries, Inc. v. Buckey Incubator Co., 41 F.2d 619 (C.C.A. 8, 1930) 18, 19

United States v. Univis Lens Co., 316 U.S. 241 (1942) 10

Waterman v. Mackenzie, 138 U.S. 252 (1891) 10

Wilson v. Simpson, 9 How. 109, at 365 U.S. 342 . . . . . 12, 17

Codes

Title 35, United States Code, Section 271 9

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1963

No. 109

WILBUR-ELLIS COMPANY, et al.,
Petitioners,
vs.
MAX K. KUTHER,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Ninth District

RESPONDENT'S BRIEF

QUESTION PRESENTED

Petitioners purchased four second-hand patented fish-packing machines that were originally built to pack fish into one-pound cans only, and without permission from the patent owner changed the size and location of all parts necessary to convert the machines so that they would pack fish into five-ounce cans only.

The question presented is whether the conversion of the machines to enable them to accomplish a new function not obtainable by the original machines changed the identity of the original machines and constituted the making of new articles on which a new royalty is due to the patent owner.

STATEMENT OF CASE

This case involves four patented machines, designed to pack automatically small fish, such as sardines, into cans.

In the general operation of these machines, cans having one open end are delivered through a can delivery chute to a horizontally rotating can track having indentations to receive the cans in a lying-down position. An open-topped, U-shaped fish-receiving trough is positioned in alignment with the open end of each can, and sardines are placed automatically in each trough with the sardines interlaced so that half of the sardines are headed towards the cans and half are headed away. After the fish are deposited in the troughs, an open-bottomed semi-circular compressor comes down into each trough to compress the sardines into a cylinder of fish having a diameter slightly less than the cans. Plungers, in alignment with the cans and troughs, then push the cylinder of fish from the troughs into the cans. During this operation the cans are held in place by a back-up rail which engages the closed end of the cans. After filling, the cans are delivered from the machine (R. 28, Pl. Ex. 1, R. 39-44).

The invention of the patent in suit is a substantial discovery by respondent (the patentee). Machines manu-

factured in accordance with the disclosure of the patent were extensively introduced into the sardine packing industry and they replaced hand packing with considerable economic savings to the users of the machines (R. 27). The validity of the patent was not seriously contested by petitioners before the District Court, was not raised on appeal to the Circuit Court, and has not been raised here.

The four machines in question were originally built with authority of respondent and were designed and operative only to pack fish into one-pound size cans (R. 29). The can chute could handle one-pound size cans only. The can track indentations were constructed to receive only one-pound size cans. The sardine-receiving troughs and the compressors were built for use only with one-pound size cans. The plungers were built for use only with one-pound size cans. The back-up rail was positioned for use with one-pound size cans only. The machines as built were not adjustable to operate on different size cans and could not operate to fill any cans other than one-pound size cans (R. 60).

The four machines as originally built were each sold for between $8,000 and $10,000, which included a royalty to respondent (R. 59). After several years' use, the original buyer of the machines shut down operations and subsequently sold the machines for junk (R. 29).

For reasons not of record and not important here, petitioner Wilbur-Ellis Company desired machines which would pack sardines into 5-ounce size cans, and purchased the machines in question. The machines had been exposed to rain and salt air and were corroded and frozen solid to the extent that they were inoperable when purchased

by Wilbur-Ellis Company for $1,250.00 each. Wilbur-Ellis Company then employed petitioner Alfred Leuschner to make the machines operable and to convert them to handle 5-ounce size cans which he did at a cost of $1,600.00 each (R. 29, 30).

Although the machines as built contained a large number of elements, only a relatively small number of these elements were included in the claimed combination. For example, claim 1 of the patent in suit (R. 44) sets forth the patented combination as comprising: (1) the main rotating carrier table 13, (2) the arms 14 on the carrier, (3) the open-topped fish receiver 15, (4) fish delivery means 9, 10, 11, (5) compressors 19, (6) can delivery chute 26, (7) indented can track 27, and (8) plungers 28. In converting the machines, petitioners changed five out of their eight elements, i.e., all but the carrier table, arms and fish delivery means.

Specifically, petitioner Leuschner changed the machines as follows to enable the machines to then operate upon 5-ounce size cans (R. 60):

(a) The plungers 28 were machined down in size to fit into a 5-ounce size can;

(b) The fish-receiving troughs 15 were provided with new inserts to reduce the diameter to be compatible with the new and smaller-diameter plungers;

(c) The compression members 19 were likewise provided with inserts to reduce their diameters and render them compatible with the new and smaller-diameter plungers;

(d) A new can track 27 was installed in place of the old can track, the new track being provided with

smaller indentations 27′ to accommodate the different size can; and

(e) The can delivery chute 26 was narrowed to properly accommodate the diameter of the smaller 5-ounce size can.

Additionally, the back-up rail 34 (which is not an element of the claimed combination) was moved in closer to the center of rotation of the machine to compensate for the shorter length of the 5-ounce cans.

The machine as so converted by petitioners could no longer pack fish into one-pound size cans, but could only pack fish into 5-ounce size cans (R. 31).

Respondent brought suit for patent infringement and the District Court found that the conversion of the machines from a one-pound size machine to a 5-ounce size machine amounted to the making of new and different machines and therefore constituted an infringement of the patent. Specifically, the District Court found as facts (R. 31):

"19. The conversion of the four machines changed the capacity and effectiveness of the machines by converting the machines to fill five-ounce size cans only, instead of one-pound size cans only.

"20. The conversion of the machines resulted in the creation of not only new but different machines from those originally made by permission of the patentee, which new and different machines embody the novel combination claimed by the patent in suit.

"21. The conversion of the four machines by defendants to fill different size cans is clearly different from the repair or replacement by the possessor of

worn out parts to preserve the machines in the condition in which they were originally manufactured and sold by permission of the patentee.'"

The Court of Appeals agreed that the conversion of the machines constituted the making of a new entity, and affirmed for the following reasons (R. 62):

"... the work performed by the appellants on the machines was not simply 'maintenance [fol. 63] of the "use of the whole" of the patented combination through replacement (and repair) of a spent unpatented element', but was such 'a true reconstruction of the entity as to "in fact make a new article".' *Aro v. Convertible Top*, supra, 346. The record is crystal clear that appellants made no attempt simply to replace worn-out parts in order to make the machines operate as originally manufactured. They deliberately modified and changed the machines in six different particulars in order to make each machine fit Wilbur-Ellis' own specific purposes, viz., the packing of five ounce rather than one pound cans of fish. Granting that appellants had the right to repair and patch each part of the fish canning machines which they bought and paid for to make the machines last as long as possible (Cf. *Aro*, etc. 357), such right did not entitle them to use that patented combination in making over the machines into fundamentally different machines from those which Wilbur-Ellis purchased, i.e., to 'make a new article.'"

SUMMARY OF ARGUMENT

Respondent, as the inventor and owner of the patent in suit, has the right to permit others to use the invention

and the right to prevent unlicensed exploitation of his invention. Certain specific machines, constructed in accordance with the teachings of the patent, were built to pack sardines into one-pound cans. These machines were not adjustable and could do nothing but pack one-pound cans. The machines were then sold, giving rise to an implied right in the buyer to use them for their original function, and to repair them to keep them in operation. The rights obtained by the buyer were not general rights under the patent, but were rights limited to those particular machines.

Petitioners purchased four of these machines second-hand. However, they had no desire to use the machines for their original use, but instead they wished to exploit the invention through the use of machines which would pack sardines into 5-ounce cans only. Petitioners immediately upon purchase of the original machines changed the size and location of all parts necessary to convert the machines to this new use. The newly converted machines acquired a new and different value to petitioners which was never present in the original machines.

Petitioners claim that this Court in *Aro Manufacturing Co. v. Convertible Top Replacement Co., Inc.*, 365 U. S. 345 (1961), sanctions the conversion of an old machine to a new and different use. However, the situation in *Aro* is fundamentally different from the present case. In *Aro*, it was held that, as long as the original entity exists, the purchaser of a patented combination has the right to replace any unpatented part in order to restore the combination to its original use, so that the purchaser could

obtain the full beneficial use of the particular combination which he had purchased.

Aro, however, did not give the purchaser of a patented combination complete right to thereafter practice the invention free of the patent. Once the original entity, viewed as a whole, has become spent, the purchaser cannot thereafter make a second creation of the entity, as, for example, was done in *American Cotton-Tie Co. v. Simmons*, 106 U. S. 89. The present case falls within this latter area of impermissible activity.

The original entity of the one-pound can size machines was clearly destroyed by petitioners when they voluntarily made the machines incapable of operating in the manner as bought. The building of new machines having a capability that could not be accomplished by the original machines plainly amounted to a creation of new articles.

Respondent is not trying to obtain a second royalty for the continued use of old machines previously sold by him, but is instead seeking a first royalty for a new and different exploitation of his patent by petitioners.

ARGUMENT

The main question in this case is whether the conversion of a patented one-pound can size machine to a 5-ounce can size machine results in a second creation of the patented entity. The District Court and the Court of Appeals below have held that it does, and we submit that they were correct.

THE SALE OF A PATENTED MACHINE GIVES ONLY LIMITED, NOT GENERAL, RIGHTS TO PRACTICE THE INVENTION.

The basic right granted to a patentee under the patent laws is the right to exclude others from making, using or selling the invention claimed in the patent. Section 271 of Title 35, United States Code. It is well settled that it is the exclusive right of the owner of a patent monopoly to permit the use of the patent or to deliberately keep his invention out of use during the life of the patent, regardless of his motive. *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U. S. 405.

As such, the respondent in the present case had the right to prevent others from making, selling or using, without license, any fish canning machines that are covered by the claims of the patent. There is no limitation in the claims of the patent in suit to any particular size machine, and thus respondent's exclusive right extends to machines built to pack sardines into one-pound size cans, into 7-ounce size cans, or into any other size cans.

Having made a significant contribution to the industry, respondent was entitled to exploit his invention. Respondent could either exploit his invention by using the invention himself and refusing to allow others to use it, or else respondent could exploit the invention by allowing others to use the invention upon payment of a royalty.

To exploit his invention, a patent owner may part with any or all of his exclusive rights. If he wishes, he may grant a general license to another to make, use or sell machines covered by the patent. If so, the licensee then can make any machine he wants and of any size.

The patent owner may, for reasons of his own, grant a restrictive license whereby the licensee can only make certain machines covered by the patent. For example, under the present patent, respondent could grant a license to make one-pound can size machines only, and could withhold the grant of a right to make 5-ounce can size machines. Such a license would then give the licensee those rights, and those rights alone, which were given him by respondent. *Waterman v. Mackenzie*, 138 U. S. 252 (1891).

Many, many other types of limited licenses exist, but in each instance the rights acquired by the licensee are determined by considering the extent to which the patent owner has given up his initially complete right to exclude others from making, using or selling the invention. If the licensee goes beyond the rights he has acquired, he becomes an infringer. *General Talking Pictures Corp. v. Western Electric Co.*, 305 U. S. 124 (1938).

One of the commonest forms of limited licenses, and the one that is involved here, is the license that one obtains when he buys a patented machine from a patent owner. In almost all such instances nothing is said specifically between the buyer and seller as to a transfer of patent rights, but the law implies a license in favor of the buyer to use or to sell to others to use the specific machine free and clear of the patent rights of the patent owner in that machine, in order to make the contract of sale effective. This *is not a general license under the patent, but is a license limited to the specific machine bought. United States v. Univis Lens Co.*, 316 U. S. 241, 250 (1942).

Thus, in the present case, when the patent owner sold the machines in question, he did not grant a license to the purchaser to pack sardines in any manner encompassed by the patent; he only granted a license to the buyer to use the specific machines for the packing of sardines.

The buyer of a patented machine obtains the right to use the machine for its intended purpose and may continue to use the machine until it is worn out. In addition, he may repair the machine to maintain it in operating condition. *Chaffee v. Boston Belting Co.*, 22 How. (63 U.S.) 217 (1859).

THE ARO CASE HAS SETTLED THE QUESTION OF THE RIGHT OF THE OWNER OF A PATENTED COMBINATION TO REPAIR THE COMBINATION.

In *Aro Manufacturing Co., Inc., v. Convertible Top Replacement Co., Inc.*, 365 U. S. 336 (1961), the question of the extent of the right of a purchaser of a patented combination to repair that combination came before this Court. In brief, that case establishes that the maintenance of the use of the whole of the patented combination through replacement of a spent, unpatented element does not constitute impermissible reconstruction, and that the owner may replace individual unpatented parts, one at a time, whether of the same part repeatedly, or of different parts successively, until the original entity, viewed as a whole, has become spent.

The philosophy of the *Aro* case is probably best summed up by the remarks of Justice Black in his concurring opinion, at 365 U. S. 360:

". . . One royalty to the patentee for one sale is enough under our patent law as written. . . ."

THE ARO CASE DOES NOT PERMIT THE OWNER OF A PATENTED COMBINATION TO RECONSTRUCT THE COMBINATION SO AS TO MAKE A "NEW ARTICLE".

This Court in the *Aro* case specifically limited the right of an owner of a patented combination to do anything at all that he wishes with the entity that he originally acquired, as follows at 365 U. S. 346:

> "The decisions of this Court require the conclusion that reconstruction of a patented entity, comprised of unpatented elements, is limited to such a true reconstruction of the entity as to 'in fact make a new article,' United States v. Aluminum Co. of America, supra, 148 F.2d at page 425, after the entity, viewed as a whole, has become spent. In order to call the monopoly, conferred by the patent grant, into play of the patented entity, as, for example, in American for a second time, it must, indeed, be a second creation Cotton Tie Co. v. Simmons, supra. . . ."

The basis for this limitation is found in the remarks by this Court in discussing its earlier decision in *Wilson v. Simpson*, 9 How. 109, at 365 U. S. 342:

> ". . . replacement of that worn-out essential part is permissible restoration of the machine *to the original use for which it was bought*. 9 How. at page 123. The Court explained that it is 'the use of the whole' of the combination which a purchaser buys, and that repair or replacement of the worn-out, damaged or destroyed part is but an exercise of the right 'to give duration to that which he owns, or has a right to use as a whole.' Ibid.

"The distilled essence of the Wilson case was stated by Judge Learned Hand in United States v. Aluminum Co. of America, 2 Cir., 148 F. 2d 416, 425: 'The [patent] monopolist cannot prevent those to whom he sells from * * * reconditioning articles worn by use, unless they in fact make a new article.' . . .". (Emphasis added.)

We submit that the *Aro* case stands for the following proposition. If the entity of the original machine still exists, and if unpatented parts of a patented machine are replaced to restore the machine to the original use for which it was bought, then there has been permissible repair. If, instead, the machine is changed from the original use for which it is bought to a new use, then the original entity has become lost and impermissibly reconstructed into a new article.

This leads to the main question here. Are the converted machines in issue a permissible restoration of the machines to their original use, as contended by petitioners, or are they new articles as found by the courts below?

THE COURTS BELOW PROPERLY FOUND THAT THE CONVERTED MACHINES WERE NEW ARTICLES.

What were the original patented entities that were sold by the patent owner to the original purchaser? They were four specific one-pound can size machines. What was the original use for which they were bought? It was not to pack sardines in any size cans, because the machines simply could not do so. The original use for which the machines were bought was to pack sardines into one-pound

size cans. That is all that the machines could do. They were not adjustable and there could be no implication that the machines as built could perform any other function.

The petitioners eventually bought these machines. They could have restored the machines to this original use, but they had no desire to do so. Instead, they bought these machines to salvage what they could in order to build 5-ounce can size machines. The machines as converted could do nothing but operate on 5-ounce size cans.

In so doing, the petitioners decided that the utility of the original machines had come to an end and voluntarily destroyed the capability of the machines to perform their original function. The original entities of the one-pound can size machines thus disappeared. This can best be demonstrated by asking where the original one-pound can size machines are now? The only answer can be that they no longer exist. The original machines had a single overall function that cannot be performed by the new machines. Contrarily, the new machines have a single function that could not have been performed by the original machines. If petitioners now wanted to pack sardines into one-pound size cans, they simply could not do it with these new machines.

It is true that the general function of the two machines is the same, i.e., to pack sardines into cans, but the specific and only functions of the machines are different. If we have two one-pound can size machines, they would be duplicates of one another, each usable in place of the other if desired. On the other hand, if we have two machines, one for packing one-pound size cans and the other for

packing 5-ounce size cans, they cannot be substituted for one another, and plainly are not duplicates of each other.

The same would be true if we consider a 1-inch and a 5/16-inch drill. Both are drills, and both are designed to drill holes, but each has a specific function. If the user wants to make a 1-inch hole, he simply cannot do the job with a 5/16-inch drill, nor can he make a 5/16-inch hole with a 1-inch drill. The two drills are distinctly different drills made to perform different jobs.

The present case is parallel to and should be governed by the doctrine of *American Cotton Tie Co. v. Simmons*, 106 U. S. 89 (1882). In that case, infringement was found by one who bought up, as scrap metal, patented metal straps, used in tying cotton bales, after the straps had been used and severed (in unbinding the bales), and who then riveted the straps at the severed point, combined them with the original buckles, and resold them for further use in baling cotton. In deciding this case, this Court pointed out:

> ". . . What the defendants did in piecing together the pieces of the old band was not a repair of the band or the tie, in any proper sense. The band was voluntarily severed by the consumer at the cotton-mill because the tie had performed its function of confining the bale of cotton in its transit from the plantation or the press to the mill. Its capacity for use as a tie was voluntarily destroyed. As it left the bale it could not be used again as a tie. As a tie the defendants reconstructed it, although they used the old buckle without repairing that. . . ."

Paraphrasing that language to fit the present facts, what the petitioners did here in converting parts of the

old machine was not a repair of the old machine in any proper sense. The old machine was voluntarily destroyed by the petitioners because the old machine had performed its function as a one-pound can size machine. Its capacity for use as a one-pound can size machine was voluntarily destroyed. After it was converted, it could not be used again as a one-pound can size machine. As a machine the petitioners reconstructed it, although they used some old parts of the machine without repairing them.

In the *Cotton-Tie* case it was held that a new article was created. Just as surely, new articles have been created in the present case. Indeed, in *Cotton-Tie* the new aticles were usable for the same particular function as the original articles, whereas here the new articles have no such capability.

In discussing *Cotton-Tie* in *Aro*, this Court stated that the ties were marked "Licensed to use once only". It is submitted that this fact should not distinguish the present situation from *Cotton-Tie*, and that it was not incumbent upon respondent to make an express limitation in the sale of the one-pound can size machines that they could not be converted to 5-ounce can size machines. Originally respondent had the right to exclude the use by others of *all* fish packing machines covered by the patent, and thus had the right to exclude others from using either a one-pound or a 5-ounce can size machine. A license implied by the sale of a one-pound machine waived respondent's right to exclude others from the use of that particular one-pound can size machine. However, respondent still retained his right to exclude others from making any more one-pound can size machines and retained his

right to exclude others from making any 5-ounce can size machines. An agreement by the buyer of the specific machine not to violate the rights retained by the patent owner would be meaningless, since the buyer would give up nothing which he had acquired.

The decision of the Court of Appeals below, that infringement exists because the conversion of the machine resulted in the creation of new articles, does not conflict in principle with any decision of this Court. It does not conflict with *Wilson v. Simpson*, 9 How. 109, because the presently converted machines were not restored to the original use for which they were bought, as was the situation in *Wilson*. For the same reason, it does not conflict with *Aro* wherein the combination convertible top was used on the same car before and after replacement of the canvas top. Rather, the decision below is in accordance with *Cotton-Tie* because a new article has been made.

The decision below is also in full accord with previous decisions in other circuits. Indeed, the facts here are almost exactly the same as in *George Close Co. v. Ideal Wrapping Mach. Co.*, 29 F.2d 533 (C. C. A. 1, 1938) which affirmed *Ideal Wrapping Mach. Co. v. George Close Co.*, 23 F.2d 848 (D.C. Mass., 1928). In that case the licensee of the patent in suit, had built certain machines designed to wrap caramel candies of a specific size (one inch squares, one-fourth to five-eighths of an inch thick). The defendant obtained several machines from the licensee and several second-hand machines from the first purchasers thereof. The defendant then asked the licensee for permission to convert the size of the machines, but was re-

fused. Thereupon, defendant converted the machines so that they would wrap an entirely different size caramel (one and one-fourth inches long, one inch wide and one-fourth to three-fourths inch thick). The conversion of the machines involved the substitution of a cutting wheel with 18 knives instead of 24. The step-by-step mechanism, the pockets in the wrapping device and other essential parts of the machine had either to be built over, or new and different parts substituted for the parts in the machine as purchased. It was held that this conversion destroyed the identity of the original machines and created a new or different machine in violation of the patent owner's rights.

The cases decided by the Court of Appeals involving the conversion of patened machines to new functions (as contrasted to restoration of machines to their original function) are few in number, including besides *Close* the following: *Miller Hatcheries, Inc. v. Buckeye Incubator Co.*, 41 F.2d 619 (C.C.A. 8, 1930), and *Cinema Patents Co., Inc. v. Columbia Pictures Corp.*, 62 F.2d 310 (C. C. A. 9, 1932). In each instance, the Courts of Appeals for the First, Eighth and Ninth Circuits have held uniformly that the conversion of a patented machine from its original to a new function constitutes an impermissible reconstruction. No Court of Appeals decisions to the contrary have been found.

Petitioners summarily and incorrectly dismiss *George Close Co. v. Ideal Wrapping Machine Co.*, *Miller Hatcheries, Inc. v. Buckeye Incubator Co.*, and *Cinema Patents Co., Inc. v. Columbia Pictures Corp.*, all supra, on the ground that they are in conflict with the later decisions

of this Court in the *Mercoid* cases (*Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U. S. 661 (1944), and *Mercoid Corp. v. Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680 (1944)), and *Aro*. The *Mercoid* cases, in essence, hold that there is no legally protected "gist" or "heart" of the invention in a patented combination. None of the *Close, Miller Hatcheries* or *Cinema Patents* cases says that there is, but instead their decisions are each based upon a conclusion that the involved machines, as converted, amounted to a new creation of the total combination claimed in the patents at suit. For the same reasons as stated above in connection with the present case, *Close, Miller Hatcheries* and *Cinema Patents* do not conflict with *Aro* because they did not involve the repair of machines to the original use for which they were bought. Instead, they involved the destruction of the original identities of the machines and the making of new articles, using those parts of the old machines that they could to make the new machines.

THE FACT THAT THE CLAIMS IN THE PATENT IN SUIT ARE NOT LIMITED TO SPECIFIC SIZE MACHINES IS UNIMPORTANT TO THE QUESTION OF WHETHER A NEW ARTICLE HAS BEEN CREATED.

Petitioners correctly assert that the claims of the patent in suit do not recite the size of the can which should be filled by machines constructed in accordance with the patent. From this, petitioners then conclude that size is unimportant and that therefore a one-pound can size machine has the same identity as a 5-ounce can size

machine. This conclusion is a *non sequitur*, resulting from a confusion between the scope of the claims of the patent and the scope of the license implied by the sale of a specific machine.

The claims are not limited as to can size, and thus include within their scope machines as claimed, whether such machines operate upon one-pound cans or 5-ounce cans. On the other hand, a specific machine that is built has a particular identity of its own. A one-pound can size machine has its own identity as a machine capable of doing a particular job. A 5-ounce can size machine has a separate identity as a machine capable of doing its specific job. The two specific jobs are different, and the identity of the machines is different, although each operates in the general manner of the machine described and claimed in the patent.

Carrying petitioners' argument to its logical conclusion, the patent should have one claim for one-pound cans, one claim for 5-ounce cans, and a separate claim for each and every other size of can for which the invention has utility. Such a requirement does not exist under the patent laws.

AN AFFIRMANCE OF THE DECISION BELOW WILL NOT CONFLICT WITH BUT RATHER WILL COMPLEMENT THE RULE OF THE ARO CASE.

In *Aro* it is well settled that the purchaser of a patented combination can replace any unpatented part to restore the combination to *its original use* for which it was bought, as long as the entity, viewed as a whole, has not become spent.

As a complement, it should be held that the conversion of a patented combination to *a new and different* use than that for which it was bought results in the loss of the original entity and the impermissible creation of a new article.

The test for impermissible conversion is plain, practical and easy to apply. If the converted machine cannot accomplish the use of the original machine and the original machine cannot accomplish the purpose of the converted machine, then obviously there are two different machines, the original machine and the newly created machine.

Petitioners suggest that impermissible conversion can only exist if all parts of the patented combination are rebuilt to convert the machines to their new purpose. Such a requirement is unrealistic. The conversion of a patented combination to a new use may require that all of the parts be changed, or that just some be changed. In the present instance, petitioners changed all of the parts necessary to effect the conversion—more than half of the elements of the patented combination were altered. In other cases a lesser or greater number of parts might have to be changed. The question should not depend on a purely arbitrary arithmetical calculation of number of parts changed. Instead, the more fundamental question should be asked—do the changes that have been made result in a new article having an identity different from that of the original?

Further, petitioners' test finds no support in *Cotton-Tie*, wherein it was held that a new article had been created even though the old buckle was used without repair thereof.

Intertwined with petitioners' argument acquiring all of the parts of the combination to be changed is a contention that the court below erred in believing there to be a legally protectable "gist"or "heart" of the invention upon which the Court of Appeals conferred a monopoly. This contention is without merit. The court below made no reference to a "gist" or "heart" of the invention, and did not hold that the change of six of the parts of the machines per se constituted an infringement. What the Court of Appeals did was to consider the original machines and the converted machine and to conclude that the activities of petitioners amounted to the creation of new articles. This is plain from the following remarks of the Court (R. 62):

> ". . . The record is crystal clear that appellants made no attempt simply to replace wornout parts in order to make the machines operate as originally manufactured. They deliberately modified and changed the machines in six different particulars in order to make each machine fit Wilbur-Ellis' own specific purposes, viz., the packing of five ounce rather than one pound cans of fish. Granting that appellants had the right to repair and patch each part of the fish canning machines which they bought and paid for to make the machines last as long as possible (Cf. *Aro, etc.* 357), such right did not entitle them to use that patented combination in making over the machines into fundamentally different machines from those which Wilbur-Ellis purchased, i.e., to 'make a new article.' "

It is further evident that the court below was not granting patent protection to the six changed unpatented parts, but rather was extending protection only to the total combination set forth in the claims, as stated (R. 63):

"Here the appellants did not simply repair Kuther's patented machines, they reconstructed, rebuilt and modified each to suit Wilbur-Ellis' desires. In so doing, they embodied therein Kuther's patented combination, thus clearly infringing upon Kuther's patent monopoly."

RESPONDENT IS NOT TRYING TO COLLECT TWO ROYALTIES FOR THE SALE OF A SINGLE MACHINE.

Originally, respondent could have made and sold two different machines, a one-pound can size machine and a 5-ounce can size machine. If he had sold both machines to someone who wished to obtain the particular economic advantages of each machine, respondent would have been entitled to two royalties, and the purchaser could have made as much or as little use of the machines as he wanted.

In the present case respondent only made one-pound can size machines which were bought for a price including a royalty. The purchaser thereby obtained the right to use those machines until their use as a whole came to an end. Petitioners then obtained these machines and voluntarily chose to destroy as a whole the use for which they were built and purchased.

Instead, petitioners now have four 5-ounce can size machines—machines which were never sold by respondent and for which respondent has never collected any royalty.

Obviously, the petitioners expected to obtain economic benefits from the 5-ounce can size machines that could not be realized from the old machine, otherwise they never

would have gone to the expense of the conversion. This additional value as a 5-ounce can size machine was not present in the machines and was never bargained for by the original parties when the original machines were bought.

Plainly, if petitioners had built a 5-ounce can size machine from scratch, using all new parts, this would violate respondent's patent rights, and respondent would be entitled to a royalty. This would be true whether respondents owned a one-pound can size machine or not.

What difference can it make if petitioners desire to make a new 5-ounce can size machine and instead of building a new machine from the ground up, they do so by obtaining an old one-pound can size machine which is of no further value to them as a one-pound can size machine in order to salvage what parts they can to build the new machine? There can be no difference. Otherwise, it would make as much sense to say that the purchaser of a one-pound can size machine, by virtue of the purchase, also acquires the right to build a completely separate and distinct 5-ounce can size machine as long as he does not use both machines at the same time.

Instead of being content with the use of the machines as built, petitioners are seeking to exploit respondent's invention in a way that was not possible with the original machines. It is for this additional exploitation by new machines that respondent seeks the royalties due him.

CONCLUSION

For the reasons stated, the decision below should be affirmed.

Dated, San Francisco, California,
October 7, 1963.

Respectfully submitted,

OSCAR A. MELLIN,

CARLISLE M. MOORE,

Counsel for Respondent.